

EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
OCTOBER 7, 2014
5:30 P.M.

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

Others Present: Roger Gray, Jeannine Parisi, Edward Yan, Adam Rue, Cathy Bloom, Sue Fahey, Lance Robertson, Joe Harwood, Mark Freeman, Dave Churchman, Frank Lawson, Todd Simmons, Roger Kline, Brad Taylor, Mel Damewood, Harvey Hall, Kevin Biersdorff, Wally McCullough, Deborah Hart, Teresa Dingman, Janice Lee, Steve Newcomb, Mike McCann, Taryn Johnson, and Anne Kah 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

Commissioner Helgeson attended the fall Northwest Public Power Association (NWPPA) Trustees meeting.

Commissioner Simpson has been nominated for and elected as Vice President of the Lane Council of Governments (LCOG) board for the next year, and is also chair of the budget committee and a member of the executive committee. He appreciated the Board's continuance of the LCOG liaison position for 2015.

Vice President Mital welcomed the public. He noted that the car that has been in the McKenzie River for several months was removed last Friday. He thanked President Brown and EWEB staff for the role they played in this.

President Brown also thanked the McKenzie River Guides, the McKenzie Clearwater Coalition and EWEB staff for taking the lead in removing the car from the river. He stated that he participated in the annual Willamette River clean-up on Saturday, September 27, and that, sadly, HIV Alliance had picked up approximately 1,100 discarded needles within a short distance. He added that if EWEB is going to take water from the Willamette River in the future, it will be more and more important to get out in front of this problem and help the City of Springfield and other organizations enforce rules so that this problem will not exist.

PUBLIC INPUT

Tom Hoyt (Ward 4) has been a Eugene attorney for 40 years, and was a member of the EWEB Riverfront Customer Advisory Team (CAT), and is totally committed to the success of the riverfront project. At the July 22, 2014 Board meeting he recommended that the Board seek competitive bids from the three developer candidates, and he apologized for that recommendation, as he was mistaken about the process. He thanked Roger Gray, General Manager, for reporting the CAT's unanimous endorsement of the developer selection process.

Steve Lee is a previous EWEB meter reader who is the owner of Coburg Industrial Park, which is now fully leased with new tenants because of his "deep back pocket." He explained the process he went through to cut deals for all the tenants and how he made it work for each tenant and their individual financial situations. He noted that the University of Oregon Foundation is the only developer that has a deep enough back pocket to be the bank with no risk factor that can bring in tenants with guaranteed rents.

Jay Namyet of the University of Oregon Foundation. He gave the audience a brief insight into the Foundation and how they operate, and said that the Foundation views the EWEB project as the paramount quintessential project for economic development. He added that he believes that the Foundation can do well from a financial standpoint and also do good work, and that the crowning glory of any kind of investment anyone makes is knowing that the Foundation can do well and contribute to society. He thanked the Board for their time and consideration.

Dave Hauser (Ward 5) attended tonight's meeting in two capacities—as president of the Eugene Chamber of Commerce and as a member of the Riverfront CAT team. He stated that the Chamber supports the successful redevelopment of the riverfront and that, as a member of the Riverfront CAT team, he was involved in the entire Riverfront Master Plan process, and strongly supports the final product and the packaged land use actions. He added that he fully intends to continue to engage in the process and continue to have many conversations about investments, public and private partnerships, and infrastructure, and that the project is a legacy for our community. He thanked General Manager Gray for inviting the Chamber to participate in the developer selection process, and noted that the CAT unanimously selected the University of Oregon Foundation based on continuity of the team to the Riverfront Master Plan, the sense that they could relate well and operate successfully, and the CAT's intrigue with the idea that there is more at stake for the community and the Foundation beyond this project.

Kirk Olsen of Trammell Crow Company thanked the evaluation team and the CAT for their work and stated that they are excited about the prospect of being selected as the master developer. He noted that Trammell Crow has demonstrated their enthusiasm to commitment and success and that they are demonstrated experts in development projects such as this, and that the evaluation team had ranked Trammell Crow #1 throughout the selection process.

Former EWEB Commissioner **Sandra Bishop** urged Vice President Mital to reconsider his decision to recuse himself from voting in the developer selection process due to being employed by the University of Oregon, as there is no legal obligation for him to recuse himself.

She hoped that the Board will make the most rational decision with a sense of urgency to choose a group that has actual experience in this type of mixed use development and not be swayed by the reputation of the University of Oregon Foundation, as they are not set up as developers and cannot show the Board the track record that the other two candidates can. She urged the Board to get the riverfront property developed and not land managed.

Commissioner Manning appreciated the turnout for the meeting, and noted that this is one of the most important historical decisions that this Board will make, with three very strong candidates.

Commissioner Helgeson appreciated the public, the CAT, EWEB staff, the developer candidates, and the community members who participated in the process. He agreed that it is a milestone for the Board and said he looks forward to the Board's deliberation and decision.

Commissioner Simpson thanked the public for attending, and agreed that this is perhaps the Board's #1 most important decision, and that he had been involved in. He noted that he has spent considerable time reviewing the material and in discussion with staff and the community, and that he wished the Board could vote for all three candidates because he is confident that any of the three would be a great choice.

Vice President Mital thanked for the public for attending and for their passion.

President Brown echoed the above comments and thanked the public for attending and for offering their input.

APPROVAL OF CONSENT CALENDAR MINUTES

- 1.a. August 5, 2014 Regular Session
- 1.b. September 9, 2014 Regular Session

CONTRACTS

- 2. BBAO Group - for IT business analysis services. \$190,000, Information Services, Contact Person is Matt Sayre.
- 3. Professional Underground Services - for boring services for LTD/EmX utility relocations. \$321,000, Engineering Services. Contact Person is Mel Damewood.
- 4. Sensus USA, Inc. - for the purchase of Sensus OMNI water meters, 3" and larger, used for commercial and industrial customers. \$500,000 (over five years), Water Operations. Contact Person is Brad Taylor.

RESOLUTIONS

- 5. Resolution No. 1414 - Revision to Electric Utility Policies & Procedures, Contact Person is Todd Simmons.

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

EWEB RIVERFRONT MASTER DEVELOPER

Using overheads, General Manager Gray gave a brief summary of how the various advisory groups and EWEB staff had arrived at their recommendation, and the parameters used for that recommendation. General Manager Gray then announced the University of Oregon Foundation as their choice for Master Developer.

Commissioner Simpson appreciated the three requested action summaries that were included in the Board background:

- Enter into initial negotiations with the Master Developer for a period of up to six months to develop an initial agreement
- An Executive Session briefing at the three-month mark regarding progress (or lack of) toward the initial agreement
- Board approval of guidelines and general negotiation framework for the initial agreement

Commissioner Manning appreciated City and EWEB staff's effort for putting the Riverfront Master Plan together. He asked that the selected Master Developer keep in mind that community members, including women and minorities, need to be included in the development process and that it needs to be broad.

Commissioner Helgeson recalled that he was unable to attend the initial developer presentations but had watched them on video and had also reviewed the proposals in detail. He said that he feels comfortable and prepared to have the discussion and that it is clear that all three proposers are excellent, and that is a testimony to the opportunity that lies before the Eugene community. He added that the scoring was fairly close and that he himself wasn't able to establish a clearly superior candidate. He noted that though economic value will be derived through the negotiation process, the project will not have a major impact on EWEB's finances over the next 10 years, and that this is an opportunity to continue the legacy of the property and honor the history that EWEB inherited whether the headquarters building stays or not.

Vice President Mital commended General Manager Gray for his presentation. Regarding his recusal from the voting process, he agreed that he has no outright legal obligation to recuse and that he doesn't work for the Foundation, but because his department and the Foundation are closely aligned, it became clear that he was in a difficult position. He appreciated Ms. Bishop's perspective but reiterated that he will still recuse himself from voting.

~~President Brown~~ Vice President Mital echoed General Manager Gray's and Commissioner Helgeson's comments that this is a momentous decision for the Eugene community and the riverfront but noted that there are other things that have far greater significance—including second source water. He noted that the price tag for the project hasn't been negotiated but that it will be small compared to EWEB's annual expenses of \$300 million

and the \$2 million that has previously been spent on the riverfront development process, and that there are other expenses coming EWEB's way in the next 10-30 years, including decommissioning processes and sale of some significant assets. He urged the Board to learn something from this process and also to prepare for the far more significant assets that are going to be decommissioned in the future.

Regarding the proposed six-month negotiation time and three-month check-in with the Board, ~~President Brown~~ Vice President Mital proposed moving that up, because time kills deals. He proposed that two months should be long enough to know whether they have chosen the right master developer, and that the other two candidates may fade away as time goes by.

~~President Brown asked about~~ Regarding the Steam Plant and its location at the far end of the riverfront property and, President Brown asked about the vision for maintaining it for that period of time, as it is a treasured, valued community asset and he wants to make sure it is taken care of so it doesn't deteriorate.

Steve Newcomb, Environmental Manager, replied that a lot of money has been spent in clearing asbestos and opening up floor space. He added that that needs to be a key part of the negotiations and his recommendation would be for the master developer to participate in that maintenance.

President Brown then asked how the three-way negotiations will be conducted regarding the City contribution for surface parking and a parking structure to be built.

General Manager Gray replied that he has had discussions with the City Manager and that piece will be a critical part of the process, and that EWEB's role in that will wane while the City's rises substantially. He noted that the Board can provide latitude for that but cannot mandate bilateral or three-party negotiations.

Regarding a two-month check-in instead of three months, General Manager Gray noted that he anticipates the City's portion for infrastructure, design investment, etc. will take three months, and that those answers will be needed first before a change in timing can be considered.

Vice President Mital asked if the Board could select two master developers and run parallel negotiations to ensure the community that everyone's pencils are sharp and that the community is getting the best deal possible.

General Manager Gray replied that that would be his preference, but that there are some restrictions in purchasing requirements via Oregon Revised Statutes (ORS), perception (policy concerns), and resources that are diverted from utility operations. He reminded the Board that property development is not EWEB's core business and that concerns him, and that he attempted to exercise that preference but was told that he could not.

Further discussion ensued regarding a three-month vs. two-month time frame for Board check-in. General Manager Gray reiterated that a two-month check-in would be difficult especially due to environmental due diligence and the desire to respect the City's scheduling.

Vice President Mital voiced his desire to make it clear to all three proposers that whoever is chosen has a jump start but that the Board wants to keep others available in case things don't work out as planned.

General Manager Gray confirmed that would be his recommendation, to establish a #1 selection and then have checkpoints along the way, as it may not be prudent to change direction depending on some of the issues discussed above.

Commissioner Manning voiced concern that this project has cost EWEB a lot of money and also concern about the impact that continuing to stretch out the timeline will have on EWEB's ratepayers. He added that his decision will be based on how it will impact the ratepayers, because there are other issues that are more pressing for EWEB's ratepayers, and he wants to be convinced that the selected developer can move ahead, as he doesn't want to continue to invest more money in this project.

It was moved by Commissioner Simpson, seconded by Commissioner Manning, to select the University of Oregon Foundation as the Master Developer.

Commissioner Simpson explained that, while he feels all three proposers are fully capable, he made this motion because he feels that the Foundation has a specific, built-in, long-term, anchored interest in the community which can't be easily replicated by the others. While the others demonstrated strong ability to incorporate the values of the community and no doubt created excellent developments in their respective communities, he feels that it is the depth of their roots in the community and their longevity and commitment that his constituents want.

He added that he differs from Commissioner Manning in that he feels this is not solely about ratepayers, but goes far beyond that, and that he hopes to get a great amount of money to help compensate for the Roosevelt Operations Center (ROC) expense even though it won't nearly cover all of the cost. He said he is looking forward to turning his attention to the execution and value of turning the riverfront property into a gem connection along with the 8th Avenue corridor and in keeping with the Envision Eugene philosophy. He urged his fellow Commissioners to vote yes on the motion.

Commissioner Helgeson appreciated the motion and agreed that EWEB needs to move ahead and make a choice, and he noted that he doesn't want to put EWEB in a quasi development role or spend a large amount of money to support the process. He said that the decision involved confidence that things will move forward to produce the desired outcome, and that it won't be a "build it and they will come" type process, but will take time to evolve and develop. He added that, in his mind, it comes down to who is in the best position to honor the commitments in the Riverfront Master Plan with sensitivity and realistic production of returns for public value and to produce more than just a well-developed mixed use space.

Commissioner Manning echoed Commissioner Helgeson's comments, but reiterated that, as a public utility, he does not want to invest a lot of time and money in a project such as this as there are other utility issues that are more pressing.

President Brown briefly summarized his recommendation and reiterated that any of the three proposers would be exemplary. He also supported Commissioner Simpson's motion, and added that three months is adequate for initial negotiations, as it would be challenging to negotiate anything within two months, especially with the complexity of the project, and that he would rather give them more time than a short deadline.

Commissioner Simpson repeated his motion that the University of Oregon be selected as the proposed Master Developer for the EWEB riverfront property. The motion passed 4-0 (Mital abstained).

President Brown asked who will be on the negotiation team. General Manager Gray replied that himself, Mr. Newcomb, and external advisors will put together the Request for Proposal (RFP). He noted that Mr. Newcomb has suggested external attorney and technical assistance, so the team will consist of a combination of internal and external representatives.

It was then moved by Commissioner Simpson, seconded by Commissioner Helgeson, to direct General Manager Gray and the negotiation team to enter into negotiations as previously specified in the Board backgrounder items 1, 2 and 3. The motion passed unanimously (5-0).

It was then moved by Commissioner Simpson, seconded by Commissioner Manning, to direct General Manager Gray, the negotiation team and the City Manager/Council to establish specific sideboards, etc. in a future Executive Session. The motion passed unanimously (5-0).

President Brown thanked General Manager Gray, EWEB staff and the three proposers. He noted that the two proposers who were not selected know very well that "it's not done until it's done" and he appreciated their input, feedback, and willingness to work in the Eugene community.

President Brown then called for a 10-minute recess.

2015 DRAFT BUDGET AND LONG-TERM FINANCIAL PLANS UPDATE

Using overheads, Cathy Bloom, Finance Manager; Sue Fahey, Fiscal Services Manager; Harvey Hall, Senior Financial Analyst, Edward Yan, Senior Financial Analyst, and Deborah Hart, Senior Financial Analyst presented the above update.

Ms. Fahey thanked the budget team, Teresa Dingman and Janice Lee for their assistance.

Management recommended that the Board direct staff to prepare the 2015 budget using the assumptions set forth in the Board backgrounder: a 1% overall average electric rate change in February 2015 and a 4.92% overall average water rate change in February 2015.

Staff addressed clarifying questions and comments from the Board.

President Brown stated that he will push for no rate increase on the electric side.

Vice President Mital supported President Brown, though he understands there are some risks. He noted that the Board has been pushing for the opportunity to move to the “middle of the pack” in electric rates for roughly five years.

Commissioner Simpson also supported no electric rate increase, as he feels it is high time to send the message that EWEB is tightening its belt. Regarding the proposed water rate increase, he stated that 10% equity is inadequate and 20% would be more favorable.

Commissioners Manning and Helgeson supported no electric rate increase, with Commissioner Helgeson noting the possibility of moving up the .5% increase from next year.

In summary, the Board supported a 0% overall electric rate increase and a 4.92% proposed rate increase for water.

PUBLIC HEARING ON 2015 DRAFT BUDGET AND LONG-TERM FINANCIAL PLANS

There was none.

2015 ELECTRIC RATE DESIGN PROPOSAL

Using overheads, Frank Lawson, Systems Engineering Supervisor; Mark Freeman, Customer Services/Energy Management Services Manager; and Adam Rue, Commercial Rates Analyst, presented the above proposal and addressed clarifying questions and comments from the Board.

Commissioner Helgeson appreciated the gradualism and minimal negative impact of the rate design, and the entire Board voiced full support for the rate re-design.

The Board voiced concern about how this rate re-design will be communicated to the public, and asked Public Information staff to be sure the media understands what is being discussed and supported.

CORRESPONDENCE AND BOARD AGENDAS

General Manager Gray briefly noted the results of the recent customer survey and offered one-on-one or two-on-one meetings with the Board for more detail if necessary.

He referenced the Board backgrounder from Brad Taylor, Water Operations Manager, and noted that the changes made were administrative changes and not rate changes.

Regarding upcoming Board agendas, he recalled that the Executive Session for negotiations with the University of Oregon Foundation will need to be held as soon as possible. President Brown asked that General Manager Gray poll the Board for their availability regarding an off-cycle Executive Session, and the Board agreed.

Commissioner Simpson reminded General Manager Gray about the requested update on the Public Utility Commission (PUC) and storm recovery (i.e., how EWEB can make storm recovery more pleasant for its customers).

General Manager Gray replied that Todd Simmons, Electric Operations Supervisor, will provide a backgrounder on storm recovery and the new text messaging system for customers to report outages, which is now in testing and goes live on Monday, October 13.

BOARD WRAP-UP

Commissioner Manning thanked EWEB staff and the public for their comments regarding the Riverfront master developer process. He noted that he is wearing pink today for breast cancer awareness, and recorded a public service announcement today to remind people to get a flu shot.

Commissioner Helgeson commented that he looks forward to hearing more about proposed changes in the water rate design, as he believes there is justification for tier flattening and revision of the basic charge.

He also noted that although EWEB has worked hard to control costs, the customer survey results showed only a 2% change in customers' perception of EWEB's ability to control costs, and he wondered what drives that perception.

Commissioner Simpson thanked staff for inviting him to the Safety Fair and appreciated the new above-ground fueling station at the ROC. He thanked President Brown for a smooth meeting and keeping the Board on task and on time.

Vice President Mital thanked staff and particularly the leadership team for applying the feedback the Board has given them regarding the Strategic Plan and for assisting the Board to get to this point. He said he is ecstatic that EWEB has pulled off a 0% electric rate increase even with economic factors that haven't changed much.

He also appreciated staff's work on the recent customer survey and noted that the data is now more statistically valid and allows the Board to be more responsive, though it may be too lengthy. He added that he would like to see a 20-30% response rate.

President Brown thanked Mr. Taylor for the drinking water taste test that was conducted before tonight's meeting, and thanked staff for their work on the Riverfront master developer selection process and the rate design proposal.

General Manager Gray noted that the 4.92% water rate increase will affect the basic charge and will also result in a slight increase in the elevation charge, but he considers this a slight rate design change. He offered to schedule a more comprehensive discussion of the water rate structure if the Board desires.

Commissioner Helgeson voiced support for that discussion, as he believes there is less justification for rate redesign on the water side than the electric side. Mr. Taylor noted that EWEB's tiered water rate is aligned within others in the utility industry and that EWEB still has a long-term responsibility to secure and maintain water rights.

President Brown adjourned the Regular Session at 8:30 p.m.

Assistant Secretary

President



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Mital, Helgeson, Manning, and Simpson
FROM: Mel Damewood, Engineering Manager
DATE: October 24, 2014
SUBJECT: Water Capital Budget Amendment – LTD/EmX
OBJECTIVE: Board Action – Approval of Water Capital Budget Amendment– LTD/EmX

Issue

On November 4, 2014, EWEB management will present to the Board the Water Utility Budget Amendment (BAM) No.7 for approval.

Background

In 2014, EWEB has been performing design and construction activities associated with the Lane Transit District (LTD) West Eugene EmX extension. This extension is resulting in the need to lower numerous water services and replace several hundred feet of water main.

This work is being reimbursed by LTD and a budget line item was not put in the 2014 CIP because the expenditures would have been offset by the reimbursement from LTD.

Discussion

Per Board Policy EL-1 (Approved February, 2014), the approved budget is the maximum level of expenditure authorized by the Board. Because, the EmX work was not included in the approved budget, there is a potential for expenditures to exceed the authorized limit. This is driving the need for the proposed budget amendment.

Note, that the overall approved budget has not been exceeded to date due to EmX.

Recommendation/Requested Board Action

Management is recommending and requesting Board approval of Budget Amendment No. 7 Water LTD/EmX for \$1,700,000.

Please contact Mel Damewood, Engineering Manager, at 541-685-7145 or mel.damewood@eweb.org to discuss this material.

cc: Roger Gray
Sue Fahey
Wally McCullough

Budget Amendment Form

Date: November 4, 2014

Amendment # 7

Contact Information:

Name/Title/E-mail: Mel Damewood, Engineering Manager mel.damewood@eweb.org
 Wally McCullough, Water Engineering Supervisor wally.mccullough@eweb.org

General Information:

Project No./Name	Job No./Name
14152 – Water Main Replacements	38023 – LTD West Eugene EmX Umbrella

Amendment Type: *(Check all that Apply)*

Utility: Electric Water

Category: Type I Capital Type II Capital O & M Labor & Benefits

Description and Justification for Budget Amendment:

Budget Amendment provides funds for work by the water utility on the LTD-EmX project. While this work is reimbursable, funds were not budgeted for this work in 2014. This budget amendment provides funds for the work to ensure the water capital budget is not exceeded. The amendment details are presented below:

(Project No.-Job No.) & Description	Actual Expenditures Through 9/30/2014	Projected Year-End Expenditures	Amount Currently Budgeted	Funds Transferred In / (Transferred Out)	Funding Source <i>(job transfer, reserves, bond funds, new revenue)</i>
14152-38023 LTD-EmX West Eugene	\$ 930,653	\$ 1,700,000	\$ 0	\$ 1,700,000	LTD Reimbursement
Total	\$ 930,653	\$ 1,700,000	\$ 0	\$ 1,700,000	

Department Manager Approval:

Fiscal Services Supervisor Approval:

Finance Manager Approval:

Board Approval Date: _____

Project coordinator: WALLACE L MCCULLOUGH

2014 CAPITAL EXPENDITURES - September 30, 2014

ISSUED 10/24/2014 08:29:09

Project coordinator emp_id: 2275

FOR WATER

JOB	DESCRIPTION	LABOR (less OT)	OVER TIME	INVENTORY	EQUIP	PURCH	REV & REIMB	FINAN TRANS.	TOTAL
Project: 014152 WATER MAIN REPLACEMENTS									
Umbrella Job 038023 LTD - West Eugene EMX--UMBRELLA									
038804	Charmelton St., W 7th Ave Alley to W 7t	302						85	387
Actual									
Work Bdgt									
% Bdgt									
Total Umbrella:	LTD - West Eugene EMX--UMBRELLA	411,752	20,640	103,280	91,092	100,308	0	203,581	930,653
		0	0	0	0	0	0	0	0
		0.00%	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL PROJECT: 014152 WATER MAIN REPLACEMENTS									
Actual		1,313,373	118,752	423,504	554,518	532,027	0	813,201	3,755,375
Work Bdgt		986,850	4,077	293,652	380,569	748,915	0	675,938	3,090,001
% Bdgt		133.09%	1912.73%	144.22%	145.71%	71.04%	0.00%	120.31%	121.53%
PROJECT COORDINATOR: 2275 WALLACE L MCCULLOUGH									

Job: 38023 LTD - West Eugene EMX--UMBRELLA

Coordinated by: WADE, RODNEY L

Sec Res Description	Qty	Amount	Comments
<hr/>			
No budget defined for this job			
<hr/>			
Totals for Minor Resource:		\$0	
<hr/>			
Job Total:		\$0	

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with **Cable Huston, LLP** for **Special Counsel Legal Services**.

Board Meeting Date: November 4, 2014

Project Name/Contract#: Special Counsel Legal Service

#012-2014

Primary Contact: Frank Lawson Ext.7621

Purchasing Contact: Sandra Hahn Ext.7163

Action Requested:

- Contract Award
- Contract Renewal
- Contract Increase
- Other

Contract Amount:

Original Contract Amount: \$3,200,000 / 5 years

Additional \$ Previously Approved: N/A

Invoices over last approval: N/A

Percentage over last approval: N/A

Amount this Request: \$3,200,000

Resulting Cumulative Total: \$3,200,000 / 5 years

Funding Source:

- Budget
- Reserves
- New Revenue
- Bonding
- Other

Contracting Method:

Method of Solicitation: Formal Request for Proposal

If applicable, basis for exemption: N/A

Term of Agreement: Nov 4, 2014 to Nov 3, 2015

Option to Renew? Yes, up to 5 years maximum

Approval for purchases "as needed" for the life of the contract: Yes

Form of Contract:

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

Narrative:

The Board is being asked to approve a new contract with **Cable Huston, LLP** for the purchase of special counsel legal services on an as-needed basis.

In July 2014, staff issued a formal Request for Proposal for the provision of special counsel legal services for four "Areas of Practice" including Environmental/Hydro Licensing, Water Rights and Wholesale Water Purchase Agreements, Power Supply, and Power Trading/Risk Management. All Proposers were invited to submit proposals for one or more Areas of Practice. Eight proposals were received. Cable Huston of Portland, Oregon was the highest ranked proposer that met all requirements for Environmental/Hydro Licensing, Water Rights and Wholesale Water Purchase Agreements, and Power Supply. They will be issued a secondary contract for Power Trading/Risk Management for their subject matter expertise in the State of Oregon.

Historical data indicates that the total contract amount will be approximately \$3,200,000 over a five-year period. The actual total dollar amount, however, is unknown and may be more or less than estimated.

If approved, staff will procure special counsel legal services at the established fees over the life of the contract. The contract is for one year, with options for renewal for up to five years.

ACTION REQUESTED:

Management requests Board approve award of a contract to Cable Huston, LLP for the provision of special counsel legal services on an "as-needed" basis. Funds for these services were budgeted for 2014, and will be budgeted annually thereafter.

SIGNATURES:

Project Coordinator: _____
Lisa Atkin

LT Manager: _____
Frank Lawson

Purchasing Manager: _____
Gail Murray

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 two new contracts with **Cascade Truck Body & Trailer Sales** and **Brattain International Trucks, Inc.** for the **purchase, installation, and repair of fleet truck bodies.**

Board Meeting Date: November 4, 2014
Project Name/Contract#: Purchase/Install/Repair truck bodies/RFP 048-2014
Primary Contact: Mike McCann Ext. 7379
Purchasing Contact: Tracy Davis Ext. 7468

Action Requested:

Contract Award
 Contract Renewal
 Contract Increase
 Other

Contract Amount:

Original Contract Amount: \$ 800,000 5 year estimate
Additional \$ Previously Approved: \$ N/A
Invoices over last approval: \$ N/A
Percentage over last approval: 0 %
Amount this Request: \$ 800,000
Resulting Cumulative Total: \$ 800,000 5 year estimate

Funding Source:

Budget
 Reserves
 New Revenue
 Bonding
 Other

Contracting Method:

Method of Solicitation: Request for Proposal (RFP)
If applicable, basis for exemption: N/A
Term of Agreement: Nov 7, 2014 through Nov 6, 2019
Option to Renew? Yes. Renewable annually for up to 5 years
Approval for purchases "as needed" for the life of the contract Yes

Form of Contract:

Single Purchase
 Services
 Personal Services
 Construction
 IGA
 Price Agreement
 Other

NARRATIVE:

The Board is being asked to approve two new contracts with **Cascade Truck Body & Trailer Sales** and **Brattain International Trucks, Inc.** for the **purchase, installation, and repair of fleet truck bodies.**

The work to be performed includes specialized services for the purchase, installation and repair of truck bodies; truck related components and accessories; and specialized trailers and accessories, as needed for EWEB's vehicles, equipment and trailers.

In September 2014, staff issued a Request for Proposal (RFP) for the purchase, installation, and repair of fleet truck bodies. Four proposals were received and evaluated. Both Cascade Truck Body & Trailer Sales of Eugene and Brattain International Trucks, Inc. of Eugene were determined to be the lowest responsive/responsible bidders.

The RFP allowed for award of multiple contracts. In this award, staff felt that it was deemed in the best interest of EWEB to award to more than one contractor because of the unique services that both contractors offered.

If approved, staff anticipates purchases will not exceed \$800,000 over the five-year contract period. Exact purchase amounts are unknown and no guarantee has been made with either awardee to purchase any specific quantity. While staff has tried to estimate the potential need from historical data, the Board's approval would be based on services "as needed" and not on any specific dollar amount.

ACTION REQUESTED:

Management requests Board approve two new contracts with **Cascade Truck Body & Trailer Sales** and **Brattain International Trucks, Inc.** for the **purchase, installation, and repair of fleet truck bodies.** Funds for these services 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: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with **Law Offices of Jeremy Weinstein** for **Special Counsel Legal Services**.

Board Meeting Date: November 4, 2014
Project Name/Contract#: Special Counsel Legal Service
#012-2014
Primary Contact: Dave Churchman Ext.7598
Purchasing Contact: Sandra Hahn Ext.7163

Action Requested:

Contract Award
 Contract Renewal
 Contract Increase
 Other

Contract Amount:

Original Contract Amount: \$150,000 / 5 years
Additional \$ Previously Approved: N/A
Invoices over last approval: N/A
Percentage over last approval: N/A
Amount this Request: \$150,000
Resulting Cumulative Total: \$150,000/ 5 years

Funding Source:

Budget
 Reserves
 New Revenue
 Bonding
 Other

Contracting Method:

Method of Solicitation: Formal Request for Proposal
If applicable, basis for exemption: N/A
Term of Agreement: Nov 4, 2014 to Nov 3, 2015
Option to Renew? Yes, up to 5 years maximum
Approval for purchases "as needed" for the life of the contract: Yes

Form of Contract:

Single Purchase
 Services
 Personal Services
 Construction
 IGA
 Price Agreement
 Other

Narrative:

The Board is being asked to approve a new contract with **Law Offices of Jeremy Weinstein** for the provision of special counsel legal services on an as-needed basis.

In July 2014, staff issued a formal Request for Proposal for the provision of special counsel legal services for four "Areas of Practice" including Environmental/Hydro Licensing, Water Rights and Wholesale Water Purchase Agreements, Power Supply, and Power Trading/Risk Management. All Proposers were invited to submit proposals for one or more Areas of Practice. Eight proposals were received. Law Offices of Jeremy Weinstein of Walnut Creek, California was the highest ranked proposer that met all requirements for Power Trading/Risk Management Area of Practice.

Historical data indicates that the total contract amount will be approximately \$150,000 over a five-year period. The actual total dollar amount, however, is unknown and may be more or less than estimated.

If approved, staff will procure special counsel legal services at the established fees over the life of the contract. The contract is for one year, with options for renewal for up to five years.

ACTION REQUESTED:

Management requests Board approve award of a contract to Law Offices of Jeremy Weinstein for the provision of special counsel legal services on an "as-needed" basis. Funds for these services were budgeted for 2014, and will be budgeted annually thereafter.

SIGNATURES:

Project Coordinator: _____
Claire Lloyd

LT Manager: _____
Dave Churchman

Purchasing Manager: _____
Gail Murray

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 contract with **Schneider Electric Inc.** for **15 KV circuit breaker roll-in replacements and supporting services.**

Board Meeting Date: November 4, 2014

Project Name/Contract#: 15 KV Circuit Breaker Roll-in

Replacements and Supporting Services #028-2014

Primary Contact: Mel Damewood Ext.7145

Purchasing Contact: Sandra Hahn Ext.7163

Contract Amount:

Original Contract Amount: \$2,000,000 / 5 years

Additional \$ Previously Approved: N/A

Invoices over last approval: N/A

Percentage over last approval: N/A

Amount this Request: \$2,000,000

Resulting Cumulative Total: \$2,000,000 / 5 years

Contracting Method:

Method of Solicitation: Formal Request for Proposal

If applicable, basis for exemption: N/A

Term of Agreement: Nov 4, 2014 to Nov 3, 2015

Option to Renew? Yes, up to 5 years maximum

Approval for purchases "as needed" for the life of the contract: Yes

Narrative:

The Board is being asked to approve a new contract with **Schneider Electric, Inc.** for the purchase of 15 KV circuit breaker roll-in replacements and supporting services on an as-needed basis.

In August 2014, staff issued a formal Request for Proposal for the provision of 15 KV circuit breaker roll-in replacements and supporting services to replace end-of-life existing equipment at EWEB's electric substations. Two proposals were received. Schneider Electric, Inc of Tualatin, Oregon was the highest ranked proposer and was determined to be a responsive-responsible proposer that met all requirements and technical specifications.

Historical data indicates that the total contract amount will be approximately \$2,000,000 over the total five-year period. The actual total dollar amount, however, is unknown and may be more or less than estimated. Purchases will be based upon need and not on any specific annual quantity. The annual cost will be within the amount budgeted for each specific year.

If approved, staff will purchase 15 KV circuit breaker roll-in replacements and supporting services at the established prices over the life of the contract. The contract is for one year, with options for renewal on each anniversary of the executed contract date, for up to five years maximum.

ACTION REQUESTED:

Management requests Board approve award of a price agreement contract to Schneider Electric Inc. for purchase of 15 KV circuit breaker roll-in replacements and supporting services on an "as-needed" basis. Funds for these purchases were budgeted for 2014, and will be budgeted annually thereafter.

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

SIGNATURES:

Project Coordinator: _____
Matt Ibaraki

LT Manager: _____
Mel Damewood

Purchasing Manager: _____
Gail Murray

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: Cathy Bloom, Finance Manager; Debbie Matheney, Accounting Analyst II
DATE: October 27, 2014
SUBJECT: Resolution No. 1415: 2014 Trojan Annual Operating Budget
OBJECTIVE: Board approval of Revised 2014 and Proposed 2015 Budgets for the Trojan Nuclear Plant

Issue

The Consent Calendar for the November 4, 2014 Board Meeting includes a recommendation for Board approval of the Proposed 2015 Budget for the Trojan Nuclear Plant. This memorandum provides background for that recommendation. As described below, Bonneville pays all EWEB costs for Trojan and has indicated they will approve the 2015 budget, making the Board's action perfunctory, but necessary for compliances with policy.

Background

The Trojan nuclear plant was constructed in the early 1970's by Portland General Electric, EWEB, and Pacific Power & Light Company with EWEB owning a 30 percent share. Trojan operated from 1976 until 1993 when the owners agreed to shut down and decommission the facility.

EWEB and Bonneville entered into an agreement whereby EWEB assigned its rights to power to the project in return for Bonneville paying all EWEB costs related to project operation, maintenance and decommissioning as well as EWEB debt service and internal costs related to oversight. In 1981, EWEB assigned its rights to any future power from the project to Bonneville. Bonneville has been and will continue to pay EWEB's share of the costs in accordance with the EWEB-BPA Net Billing Agreement for Trojan.

At this point, almost all of the decommissioning of the project is complete. All of the spent fuel has been transferred to a long-term storage facility at the Trojan site and will remain there until such time as it can be relocated to a federal waste repository. Remaining costs included primarily relate to the spent fuel storage costs. There is certain remaining property owned by the project which is gradually being disposed of over time.

Discussion

Each year, the co-owners review and approve the Trojan Project operating budget as prepared and proposed by Portland General Electric. Part of that process includes review and approval by the Board.

Bonneville is currently reviewing the Trojan project budget as proposed by PGE and EWEB's share of that proposed budget. PGE's approval of proposed budget is expected prior to the end of this year.

As mentioned above, under the term of the Net Billing Agreement between Bonneville and EWEB, Bonneville will pay 100 percent of EWEB's share of the costs associated with Trojan.

In the Trojan Budget, the largest single cost relates to the spent fuel storage. Of the \$1.4 million budgeted as EWEB's share of the expenses, \$1.3 million of that relates to spent fuel storage.

In mid-2009, the Trojan owners were notified that the stay on the litigation concerning financial responsibility for the spent fuel storage was being lifted. (In this litigation, the Trojan owners sought to get the federal government to pay some or all of the costs of maintaining the spent fuel storage based on the federal government's failure to take responsibility for spent fuel storage at a central repository.) The Court ruled in favor of payment by the federal government on the Department of Energy litigation in July 2013 and the first pass through payment of \$24.4 million was received by EWEB and issued to Bonneville Power Administration on September 10, 2013. A second pass through payment of \$2.6 million was received by EWEB and issued to Bonneville Power Administration on August 11, 2014 for years 2010-2012.

With the Trojan bonds now paid off and expenses at a relatively small level, Bonneville has been paying EWEB for Trojan expenses directly rather than going through the net billing process.

Recommendation

Staff recommends Board approval of the Consent Calendar item titled "2015 Trojan Annual Operating Budget."

Requested Board Action

Board approval of resolution 1415 for the Revised 2014 and Proposed 2015 Trojan Annual Operating Budgets is requested.

**EUGENE WATER & ELECTRIC BOARD
TROJAN NUCLEAR PLANT
2014 ANNUAL OPERATING BUDGET - FINAL
(In Thousands of Dollars)**

	<u>2014 Revised</u>	<u>2014 Proposed</u>	<u>Increase/ (Decrease)</u>
EWEB's share of operation costs	\$46	\$100	(\$54)
EWEB's share of decommissioning costs	1,959	1,718	241
EWEB's share of capital additions	9	9	(0)
TOTAL EWEB SHARE OF PGE COSTS	<u>2,014</u>	<u>1,827</u>	<u>187</u>
EWEB's direct costs	29	69	(40)
TOTAL OTHER COSTS	<u>29</u>	<u>69</u>	<u>(40)</u>
TOTAL ANNUAL OPERATING COSTS	<u>2,043</u>	<u>1,896</u>	<u>147</u>
LESS:			
Prior year general fund carry-over	(302)	(330)	28
General fund interest income	(1)	(2)	1
PLUS:			
Year end general fund balance	383	300	83
TOTAL REQUIREMENT	<u>2,123</u>	<u>1,864</u>	<u>259</u>
TOTAL AMOUNT TO BE NET BILLED	<u><u>2,123</u></u>	<u><u>1,864</u></u>	<u><u>259</u></u>
ANNUAL FINANCING			
Beginning general fund balance	302	330	(28)
Net billings	2,123	1,864	259
Interest earnings on gen fund invest	1	2	(1)
TOTAL FUNDS AVAILABLE	<u>2,426</u>	<u>2,196</u>	<u>230</u>
TOTAL ANNUAL OPERATING COSTS	<u>2,043</u>	<u>1,896</u>	<u>147</u>
ENDING GENERAL FUND BALANCE	<u><u>\$383</u></u>	<u><u>\$300</u></u>	<u><u>\$83</u></u>

**EUGENE WATER & ELECTRIC BOARD
TROJAN NUCLEAR PLANT
2014 ANNUAL OPERATING BUDGET - FINAL
(In Thousands of Dollars)**

DECOMMISSIONING COSTS

	<u>2014 Revised</u>	<u>2014 Proposed</u>	<u>Increase/ (Decrease)</u>
USDOE Litigation Costs	\$50	\$50	\$0
Prior Year USDOE Litigation Costs (2011-2012)	\$755	\$0	\$755
ISFSI	<u>\$5,726</u>	<u>\$5,676</u>	<u>\$50</u>
DECOMMISSIONING COSTS	<u><u>6,531</u></u>	<u><u>5,726</u></u>	<u><u>805</u></u>
EWEB'S SHARE OF DECOMMISSIONING COSTS	<u><u>\$1,959</u></u>	<u><u>\$1,718</u></u>	<u><u>\$242</u></u>

CAPITAL ADDITIONS

	<u>2014 Revised</u>	<u>2014 Proposed</u>	<u>Increase/ (Decrease)</u>
Capital Jobs	<u>\$29</u>	<u>\$29</u>	<u>\$0</u>
EWEB'S SHARE OF CAPITAL ADDITIONS	<u><u>\$9</u></u>	<u><u>\$9</u></u>	<u><u>\$0</u></u>

**EUGENE WATER & ELECTRIC BOARD
TROJAN NUCLEAR PLANT
2014 ANNUAL OPERATING BUDGET - FINAL**

EWEB DIRECT COSTS

	<u>2014 Revised</u>	<u>2014 Proposed</u>	<u>Increase/ (Decrease)</u>
Labor	\$7,450	\$16,472	(\$9,022)
Overhead	745	1,647	(902)
LABOR & TRAVEL	<u>8,195</u>	<u>18,119</u>	<u>(9,924)</u>
Legal	21,033	50,000	(28,967)
Trustee	352	1,000	(648)
OTHER	<u>21,385</u>	<u>51,000</u>	<u>(29,615)</u>
EWEB DIRECT COSTS	<u><u>\$29,580</u></u>	<u><u>\$69,119</u></u>	<u><u>(\$39,539)</u></u>

**EUGENE WATER & ELECTRIC BOARD
TROJAN NUCLEAR PLANT
2015 ANNUAL OPERATING BUDGET- PRELIMINARY
(In Thousands of Dollars)**

	<u>2015 Budget</u>	<u>2014 Revised</u>	<u>Increase/ (Decrease)</u>
EWEB's share of operation costs	\$47	\$46	\$1
EWEB's share of decommissioning costs	1,347	1,959	(612)
EWEB's share of capital additions	0	9	(9)
TOTAL EWEB SHARE OF PGE COSTS	<u>1,394</u>	<u>2,014</u>	<u>(620)</u>
EWEB's direct costs	94	29	65
TOTAL OTHER COSTS	<u>94</u>	<u>29</u>	<u>65</u>
TOTAL ANNUAL OPERATING COSTS	<u>1,488</u>	<u>2,043</u>	<u>(555)</u>
LESS:			
Prior year general fund carry-over	(383)	(302)	(81)
General fund interest income	(2)	(1)	(1)
PLUS:			
Year end general fund balance	300	383	(83)
TOTAL REQUIREMENT	<u>1,403</u>	<u>2,123</u>	<u>(720)</u>
TOTAL AMOUNT TO BE NET BILLED	<u><u>1,403</u></u>	<u><u>2,123</u></u>	<u><u>(720)</u></u>
ANNUAL FINANCING			
Beginning general fund balance	383	302	81
Net billings	1,403	2,123	(720)
Interest earnings on gen fund invest	2	1	1
TOTAL FUNDS AVAILABLE	<u>1,788</u>	<u>2,426</u>	<u>(638)</u>
TOTAL ANNUAL OPERATING COSTS	<u>1,488</u>	<u>2,043</u>	<u>(555)</u>
ENDING GENERAL FUND BALANCE	<u><u>\$300</u></u>	<u><u>\$383</u></u>	<u><u>(\$83)</u></u>

**EUGENE WATER & ELECTRIC BOARD
TROJAN NUCLEAR PLANT
2015 ANNUAL OPERATING BUDGET- PRELIMINARY
(In Thousands of Dollars)**

DECOMMISSIONING COSTS

	<u>2015 Budget</u>	<u>2014 Revised</u>	<u>Increase/ (Decrease)</u>
USDOE Litigation Costs	\$20	\$50	(\$30)
Prior Year USFOE Litigation Costs (2011-2012)	\$0	\$755	(\$755)
ISFSI	<u>\$4,471</u>	<u>\$5,726</u>	<u>(\$1,255)</u>
DECOMMISSIONING COSTS	<u>4,491</u>	<u>6,531</u>	<u>(2,040)</u>
EWEB'S SHARE OF DECOMMISSIONING COSTS	<u>\$1,347</u>	<u>\$1,959</u>	<u>(\$612)</u>

CAPITAL ADDITIONS

	<u>2015 Budget</u>	<u>2014 Revised</u>	<u>Increase/ (Decrease)</u>
Capital Jobs	<u>\$0</u>	<u>\$29</u>	<u>(\$29)</u>
EWEB'S SHARE OF CAPITAL ADDITIONS	<u>\$0</u>	<u>\$9</u>	<u>(\$9)</u>

**EUGENE WATER & ELECTRIC BOARD
TROJAN NUCLEAR PLANT
2015 ANNUAL OPERATING BUDGET- PRELIMINARY
(In Thousands of Dollars)**

OPERATION & OTHER COSTS

	<u>2015 Budget</u>	<u>2014 Revised</u>	<u>Increase/ (Decrease)</u>
Administrative & General	\$0	\$29	(\$29)
Property Insurance	9	9	0
Injuries and Damages	2	2	0
Employee Benefits	17	10	7
Misc. General Expenses	<u>131</u>	<u>97</u>	<u>34</u>
<i>OPERATIONS</i>	<u>159</u>	<u>147</u>	<u>12</u>
Payroll taxes	7	4	3
Other interest expense/Rental Revenue	<u>(9)</u>	<u>(9)</u>	<u>0</u>
<i>OTHER</i>	<u>(2)</u>	<u>(5)</u>	<u>3</u>
<i>OTHER WORKING CAPITAL CHANGE</i>	<u>0</u>	<u>10</u>	<u>(10)</u>
TOTAL OPERATION & OTHER	<u><u>157</u></u>	<u><u>152</u></u>	<u><u>5</u></u>
EWEB'S SHARE OF O & M COSTS	<u><u>47</u></u>	<u><u>46</u></u>	<u><u>1</u></u>

**EUGENE WATER & ELECTRIC BOARD
TROJAN NUCLEAR PLANT
2015 ANNUAL OPERATING BUDGET- PRELIMINARY**

EWEB DIRECT COSTS

	<u>2015 Budget</u>	<u>2014 Revised</u>	<u>Increase/ (Decrease)</u>
Labor	\$16,472	\$7,450	\$9,022
Overhead	1,647	745	902
LABOR & TRAVEL	<u>18,119</u>	<u>8,195</u>	<u>9,924</u>
Legal	75,000	21,033	53,967
Trustee	1,000	352	648
OTHER	<u>76,000</u>	<u>21,385</u>	<u>54,615</u>
EWEB DIRECT COSTS	<u><u>\$94,119</u></u>	<u><u>\$29,580</u></u>	<u><u>\$64,539</u></u>

RESOLUTION NO 1415
November 2014

EUGENE WATER & ELECTRIC BOARD
2015 Trojan Budget

WHEREAS, the Eugene Water & Electric Board is the body designated by the Eugene City Charter and City Code to administer the Electric and Water utilities of the City of Eugene;

WHEREAS, the Trojan nuclear plant was constructed in the early 1970's by Portland General Electric, EWEB and Pacific Power & Light Company with EWEB owning a 30 percent share;

WHEREAS, the owners agreed to shut down and decommission the facility after operating it from 1976 – 1993;

WHEREAS, EWEB and Bonneville entered into an agreement whereby EWEB assigned its rights to power to the project in return for Bonneville paying all EWEB costs related to project operation, maintenance and decommissioning as well as EWEB debt service and internal costs related to oversight;

WHEREAS, the co-owners review and approve the Trojan Project operating budget annually as prepared and proposed by Portland General Electric;

NOW, THEREFORE, BE IT RESOLVED by the Eugene Water & Electric Board that:

1. The Board hereby has reviewed and approves the 2014 revised and 2015 proposed Trojan Budgets.

DATED this 4th day of November 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 November 4, 2014 Regular Board Meeting.

Assistant Secretary



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Mital, Helgeson, Manning and Simpson

FROM: Cathy Bloom, Finance Manager; Susan Eicher, General Accounting & Treasury Supervisor and Sandra Goodell, Senior Accounting Analyst

DATE: October 27, 2014

SUBJECT: Designation of Treasurer or Assistant Treasurer as Agents for Hazard Mitigation Assistance Grants

OBJECTIVE: Board Action – Approval of Resolution No. 1416

Issue

The Hazard Mitigation Assistance Program requires a resolution authorizing an agent to execute for and on behalf of EWEB on all required forms and documents for the purpose of obtaining financial assistance for the Hazard Mitigation Grant Program under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

Background

EWEB is eligible to apply as a sub grantee through the State of Oregon Office of Emergency Management for post-disaster funding provided by the U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA) Hazard Mitigation Assistance (HMA) programs.

The key purpose of the Hazard Mitigation Grant Program (HMGP) is to ensure that the opportunity to take critical mitigation measures to reduce the risk of loss of life and property from future disasters is not lost during the reconstruction process following a disaster. HMGP is available, when authorized under a Presidential major disaster declaration, in the areas of the State requested by the Governor.

EWEB became aware of its eligibility for the HMGP as a result of being a sub grantee of the 2014-FEMA State Agreement for the 2014 Severe Winter Storm. Under the authority of Presidential Major Disaster Declaration FEMA 4169-DR-OR, EWEB was reimbursed for eligible costs and activities necessary for the repair and restoration of its facilities that were damaged during the period of February 6-10, 2014. EWEB's total costs for the 2014 Severe Winter Storm were \$1.6 million. Eligible costs less EWEB's 25% cost share resulted in a reimbursement from FEMA in the amount \$1.3 million. The current grant application to HMA would reimburse EWEB approximately \$150,000 for undergrounding overhead lines, and reframing an above ground system in the Laurel Hill area. The project area has received frequent damage from storms, including the 2014 Severe Winter Storm and as a result high outages occur.

Discussion

Attached is Resolution No. 1416 authorizing EWEB's Treasurer or Assistant Treasurer as Agents for Hazard Mitigation Assistance Grants.

Recommendation

EWEB management recommends Board approval of Resolution No. 1416 as presented.

Requested Board Motion/Action

A motion is set forth to approve Resolution No. 1416 granting authorization for officers to execute all required forms and documents for the purpose of obtaining financial assistance through federal grant programs.

**RESOLUTION NO. 1416
November 2014**

**EUGENE WATER & ELECTRIC BOARD
GRANTING AUTHORIZATION FOR EXECUTING ALL REQUIRED FORMS AND
DOCUMENTS FOR THE PURPOSE OF OBTAINING FINANCIAL ASSISTANCE THROUGH
FEDERAL GRANT PROGRAMS**

WHEREAS, Eugene Water & Electric Board (EWEB) is eligible to apply as a sub grantee through the State of Oregon Office of Emergency Management (OEM) for post-disaster funding provided by the U.S. Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA), Hazard Mitigation Assistance (HMA) programs; and

WHEREAS, the HMA requires a designation of agent to execute for and on behalf of EWEB all required forms and documents for the purpose of obtaining financial assistance for the Hazard Mitigation Grant Program under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

NOW THEREFORE, BE IT RESOLVED that Officers, either Treasurer or Assistant Treasurer, are hereby authorized to execute for and on behalf of EWEB all required forms and documents for the purpose of obtaining financial assistance from the HMA program as it pertains to federal mitigation grants.

Adopted at a meeting of the Eugene Water & Electric Board on November 4, 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 November 4, 2014 Regular Board Meeting.

Assistant Secretary