



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Simpson, Helgeson, Manning, Mital and Brown  
FROM: Mel Damewood, Engineering Manager  
DATE: July 22, 2016  
SUBJECT: Blanton Heights and Mt. Hagan Tower Site Lease Agreements  
OBJECTIVE: Board Approval of Lease Agreements

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## Issue

EWEB leases antennae and building space on Vertical Bridge's Blanton Heights and Mt. Hagan tower sites. Management is asking for Board approval of a 10-year lease at both of these tower sites, each site having its own lease agreement.

## Background

Since 2011, EWEB, and its partnering agencies through the Lane Radio Interoperability Group (LRIG) have shared leased tower and building space for radio microwave communications infrastructure to be used by the parties to communicate within our common service territories. For EWEB, these are key sites for operations communication within our urban service area, but also upriver, including the Carmen-Smith Hydroelectric Facility.

The prior agreements expired June 2016. Vertical Bridge did not provide their proposed agreements until near the expiration of the existing agreements. The expired contract was with Silke Communications who sold the tower properties to Vertical Bridge. Monthly lease payments to Silke were \$5,528 for Blanton Heights and \$2,410 for Mt. Hagan. We are currently paying on a month to month basis.

At both of these sites, EWEB subleases to various governmental agencies, most of who are members of LRIG, but also include non-LRIG members such as the FBI. EWEB gets reimbursed approximately 85% average of the lease agreements from these sub-leases.

## Discussion

EWEB has negotiated 10-year lease agreements with Vertical Bridge for both Blanton Heights and Mt. Hagan. The lease is paid on a monthly basis, starting at \$5,885 per month at Blanton Heights and \$2,300 per month at Mt. Hagan, which in total represents about a 3% increase from the prior contract. The contracts have a 3% annual escalation in the lease rate. EWEB can terminate the contract with 365 days' notice after the first 3 years of the contract.

Over ten years, EWEB anticipates \$1,130,000 in total contract amount, including utilization associated with the operation of the shared partners' equipment. Net cost to EWEB is anticipated to be approximately \$164,000.

Management requests Board approval of the new lease agreements with Vertical Bridge for the lease of building and antenna space at Vertical Bridge's Blanton Heights and Mt. Hagan sites. Funds for these leases were budgeted for 2016 and are anticipated to be budgeted annually.

**Requested Board Action**

Approval or lease agreements. If the Board has any questions please contact Mel Damewood @541-685-7145 or email at [mel.damewood@eweb.org](mailto:mel.damewood@eweb.org)

# EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new agreement with **Vertical Bridge** for the lease of building and antenna space at Vertical Bridge Blanton Heights Tower site.

Board Meeting Date: August 2, 2016  
Project Name/Contract#: Blanton Heights Tower Site Lease Agreement  
Primary Contact: Mel Damewood Ext. 7145  
Purchasing Contact: Quentin Furrow Ext. 7380

<b>Action Requested:</b>	
<input checked="" type="checkbox"/>	Contract Award
<input type="checkbox"/>	Contract Renewal
<input type="checkbox"/>	Contract Increase
<input type="checkbox"/>	Other

**Contract Amount:**  
Original Contract Amount: \$810,000 (over 10 years, \$113,000 EWEB net)  
Additional \$ Previously Approved: \$ N/A  
Invoices over last approval: \$ N/A  
Percentage over last approval: N/A %  
Amount this Request: \$810,000 (over 10 years)  
**Resulting Cumulative Total:** **\$810,000 (over 10 years)**

<b>Funding Source:</b>	
<input checked="" type="checkbox"/>	Budget
<input type="checkbox"/>	Reserves
<input type="checkbox"/>	New Revenue
<input type="checkbox"/>	Bonding
<input type="checkbox"/>	Other

**Contracting Method:**  
Method of Solicitation: Direct Negotiation  
If applicable, basis for exemption: EWEB Rule 6-0110 (1)(f)  
Term of Agreement: 10 Years  
Option to Renew? Yes (4 consecutive 5 year periods)  
Approval for purchases "as needed" for the life of the contract No

<b>Form of Contract:</b>	
<input type="checkbox"/>	Single Purchase
<input type="checkbox"/>	Services
<input type="checkbox"/>	Personal Services
<input type="checkbox"/>	Construction
<input type="checkbox"/>	IGA
<input type="checkbox"/>	Price Agreement
<input checked="" type="checkbox"/>	Other (Lease)

## Narrative:

The Board is being asked to approve a new agreement with **Vertical Bridge** for the lease of building and antenna space at Vertical Bridge's Blanton Heights Tower site.

EWEB, the Lane County Sheriff's Office (LCSO), and other Lane Radio Interoperability Group (LRIG) members have shared a joint Microwave Radio Communications Network (The "Network") to be used by parties to communicate over common service territories and each other since 2011. Sites were identified and equipment installed in 2006 for the shared microwave radio equipment and antennas at Blanton Heights, Mt. Hagan, and Buck Mountain.

**Vertical Bridge** owns the radio communications building and tower at Blanton Heights. EWEB has negotiated a Lease Agreement with Vertical Bridge for dedicated space on Vertical Bridge's tower and in its communications building for EWEB and its partners' communications equipment and antennas. EWEB will pay Vertical Bridge \$5,885/month, escalating at 3% per year, for lease of their facilities.

Under the terms of the lease agreement, EWEB will make the monthly lease payments; and partners will reimburse EWEB for approximately 86% of the monthly lease cost (under the terms of the Intergovernmental Agreement (IGA) between EWEB, LCSO, and other LRIG Members.

## ACTION REQUESTED:

Management requests Board approve a new agreement with **Vertical Bridge** for the lease of building and antenna space at Vertical Bridge's Blanton Heights Tower site. Funds for this lease were budgeted for 2016 and will be budgeted annually.

**SIGNATURES:**

Project Coordinator: \_\_\_\_\_

LT Manager: \_\_\_\_\_

Purchasing Manager: \_\_\_\_\_

General Manager: \_\_\_\_\_

Board Approval Date: \_\_\_\_\_

Secretary/Assistant Secretary verification: \_\_\_\_\_