

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
December 5, 2017
5:30 P.M.**

Commissioners Present: Dick Helgeson, President; John Brown, Vice President (via teleconference); Sonya Carlson, Steve Mital, John Simpson; Commissioners

Absent: None

Others Present: Julie Desimone, Moss Adams LLP; Sue Fahey, Chief Financial Officer; Sarah Gorsegner, Purchasing and Warehouse Supervisor; Deborah Hart, Fiscal Services Supervisor; TiaMarie Harwood, Interim General Accounting & Treasury Supervisor; Jason Heuser, Policy & Governance Program Manager; Frank Lawson, General Manager; Carol Samuels, Piper Jaffray Companies (via teleconference)

President Helgeson called the Regular Session to order at 5:31 p.m.

Agenda Check

There were no changes or additions to the Agenda.

Items from Board Members and General Manager

- Commissioner Carlson reported that she had attended the EWEB Run to Stay Warm. She also said that she had a recent meeting with Eugene Mayor Lucy Vinis.
- Commissioner Simpson announced that he had completed his two-year term as Chair of LCOG. He added that EWEB had been chosen to serve on LCOG's Executive Committee.
- President Helgeson acknowledged that this was the last Regular Session of the EWEB Board in 2017.
- President Helgeson read Vice President Brown's offerings for Items from Board Members. The gist of said correspondence was a focus on upriver cleanup.
- Mr. Lawson thanked all who volunteered at EWEB's Run to Stay Warm. He also introduced Julie McGaughey, EWEB's new Customer Service Operations Manager.

Public Input

Kirk Shimeall of Corvallis, and Cascade Pacific Resource Conservation and Development (CPRCD), voiced his support for EWEB's Strategic Plan for protecting the McKenzie watershed.

Jared Weybright of Eugene, and the McKenzie Watershed Council (MWC), voiced his support for EWEB's Strategic Plan for protecting the McKenzie watershed.

Johan Hogervorst of Pleasant Hill, and the Willamette National Forest, voiced his support for EWEB's Strategic Plan for protecting the McKenzie watershed.

Joe Moll of Eugene, and of the McKenzie River Trust (MRT), reported MRT had met the \$500,000 challenge opportunity provided by the EWEB Board last year for the Finn Rock Reach property.

Will Rutherford of Vida, thanked EWEB for the action taken relative to the Walterville Canal leakage issue. He also said that he had hoped the Strategic Plan for protecting the McKenzie watershed would include EWEB taking public action against the illegal camping upriver.

Commissioner Mital clarified that the Board was not currently voting on the Strategic Plan for protecting the McKenzie watershed.

Commissioner Carlson stated that she looked forward to hearing more about the Strategic Plan for protecting the McKenzie watershed.

Vice President Brown said that he would like to see the illegal camping issue included in the Strategic Plan for protecting the McKenzie watershed.

President Helgeson thanked all public comment participants. He said that he too was concerned with illegal upriver camping, and would like to see it addressed in the Strategic Plan.

BOARD ACTION ITEMS

Approval of Consent Calendar

MINUTES

- 1. November 7, 2017 Regular Session**

BUDGET AMENDMENT

- 2. Resolution No. 1730** - Budget Amendment Electric Operations & Maintenance \$22,700,000 and Water Operations & Maintenance \$3,000,000.

CONTRACTS

- 3. Christenson Electric, Inc., Key Line Construction, Inc., and Potelco, Inc.** - for Electric Line Crews. \$5,000,000 (over 5 years between 3 contracts).
- 4. Luvaas Cobb** - for General Counsel Services. \$750,000 (over 5 years).

RESOLUTIONS

5. **Resolution No. 1728** - Carmen Smith License Acceptance.
6. **Resolution No. 1729** - Electric Utility Fee; Service Lateral Substructure Inspection Charge.
7. **Resolution No. 1732** - Revisions to EWEB Public Contracting Rules as Required under Board Policy SD7, Purchasing Policies.
8. **Resolution No. 1737**- Revision to Board Policy GP1, Governing Style.

Approval of Consent Calendar

Vice President Brown pulled Item 4 from the Consent Calendar.

Commissioner Simpson pulled Item 6 from the Consent Calendar.

Commissioner Carlson moved to approve the Consent Calendar with the exception of items 4 and 6. The motion passed unanimously 5:0.

Items Removed From Consent Calendar

Vice President Brown asked Mr. Lawson if it was imperative that this Consent Calendar item be passed at this meeting.

Mr. Lawson responded there were a couple of options:

- The vote on this item could be tabled based on the RFP process for another month and revisit it in January.
- The Board could appoint a separate attorney or legal counsel outside of the RFP process.

Commissioner Mital suggested culling the list of current Board-appointed consultants. He also suggested Board interviews for future consultants.

Ms. Gorsegrner said that the contract in question had been issued a notice of intent to award, but the contract was not final until approved by the Board.

Commissioner Simpson asked if the January meeting would be an appropriate amount of time to revisit this issue.

Mr. Lawson agreed that January was appropriate.

Commissioner Simpson moved to postpone consideration of general counsel services until the January 2018 meeting. The motion passed unanimously 5:0.

Commissioner Simpson said he had concerns about the wording in item D of the Service Lateral Substructure Inspection Charge. He recommended clearer language of

said item such as: "Service Lateral Substructure Re-inspection Charge per visit - \$75." He added the explanatory note on item D should read: "First inspection per job included free of charge."

Mr. Price said that language change would be appropriate.

Commissioner Simpson moved to change the aforementioned language as he specified.

Commissioner Mital suggested postponing the vote on this item until the new language could be inserted, and the Board had a chance to read through the new language.

Commissioner Simpson moved to have staff re-present this item next month including the new language. The motion passed unanimously 5:0.

Commissioner Mital stated that he did not want to send a message that would jeopardize EWEB's relationship with Luvaas Cobb.

Mr. Lawson clarified that he had an upcoming meeting with Luvaas Cobb on December 19.

Public Hearing on 2018 Proposed Budget and Prices

President Helgeson opened the Public Hearing at 6:16 p.m. Seeing no one who wished to speak, he then closed the Public Hearing.

2018 Proposed Budgets, Revenue Requirements, and Prices

Ms. Fahey and Ms. Hart offered the Board a report and Power Point presentation on the 2018 Proposed Budgets, Revenue Requirements, and Prices.

Commissioner Simpson expressed satisfaction with the proposed budget.

With regard to electric prices, President Helgeson acknowledged that absorbing the BPA increase will affect customer classes differently in the next COSA as the increased power costs make up a different percentage of the revenue requirements among classes. He inquired if EWEB is within a reasonable range in terms of any variances.

Ms. Fahey replied that for 2018, the range was reasonable, but for 2019, it may be a challenge for some of the customer classes and this will be assessed when the 2019 budget is prepared.

Commissioner Simpson moved to approve Resolution No. 1733 - 2018 Budget Adoption. The motion passed unanimously 5:0.

Commissioner Simpson moved to approve Resolution No. 1734 - 2018 Water Prices. The motion passed unanimously 5:0.

Commissioner Simpson moved to approve Resolution No. 1735 - Electric Partial Requirements Service Prices. The motion passed unanimously 5:0.

PERS Liability Mitigation Strategy, Resolution No. 1731

Ms. Fahey offered the Board a report and Power Point presentation on Resolution No. 1731.

Commissioner Carlson asked if the side account funds could be used to pay the transition liability costs associated with joining the State & Local Government Rate Pool (SLGRP).

Ms. Fahey said they could not.

Commissioner Carlson asked if EWEB joined the SLGRP and paid down the transition liability costs—since the funds do not take effect until 2018—what benefit the utility would see from paying those costs.

Ms. Fahey replied that if EWEB joined the SLGRP, the transition liability costs would not be known until a year from now, and the pool would not have those funds until right before the rates take effect.

Commissioner Carlson asked if the pending court case would affect the amount of EWEB's transition liability costs.

Ms. Fahey responded that case had been resolved.

Commissioner Simpson wondered why there was a two-year delay in the rate impact of joining the SLGRP.

Ms. Fahey replied that she believed it was due to the amount of time it would take to figure the transition liability costs, and that it would have to begin at the start of a biennium.

Commissioner Simpson asked why EWEB was not invited to join the SLGRP in 2015.

Ms. Fahey answered that the Finance Department had received information from an actuary that it would have been favorable to join the SLGRP in 2015, but she was not made aware of that information until very recently.

Commissioner Mital asked if the transition liability costs would remain unknown for at least a year, could that money, or a part of it, be placed into the PERS account.

Ms. Fahey replied that if EWEB decided to join the pool, they could not put any of those monies into a side account until after the transition liability costs were calculated and paid off.

President Helgeson asked if next year's 35% rate increase for 2018 a harbinger of what the utility could expect in terms of the magnitude of the jump in their Unfunded Actuarial Liability (UAL) calculation.

Ms. Fahey said they could be a forecast of what could happen in July of 2019.

Commissioner Carlson moved to approve Resolution No. 1731. The motion passed unanimously 5:0.

GENERAL BUSINESS ITEMS

2017 Year-End Audit Planning

Ms. Fahey and Ms. Desimone offered the Board a report and Power Point presentation on 2017 Year-End Audit Planning.

Commissioner Simpson asked Ms. Fahey if she could give the Board examples of users or consumers of the financial statements.

Ms. Fahey replied that for the most part, it was EWEB's investors. The City of Eugene, EWEB Commissioners, and counterparties for power trades are also users of the statements.

Vice President Brown asked if the auditor assigned to EWEB would be completely independent, with subpoena powers, such as is being requested by a City of Eugene Ballot Measure.

Ms. Desimone answered that Moss Adams' lawyers were looking into the matter.

Break

President Helgeson called a break at 7:19 p.m. He reconvened the meeting at 7:31 p.m.

Carbon Market Study Presentation & Resolution No. 1736, Approval of EWEB's 2018 State Legislative Agenda

Mr. Heuser offered the Board a report and Power Point presentation on the Carbon Market Study, and Resolution No. 1736.

Commissioner Carlson asked if the Study takes into account the embedded carbon that would go in to new infrastructure.

Mr. Heuser said it did not.

Commissioner Carlson was curious if the study addressed the feedback loop created by vehicles relying more on the electric sector.

Mr. Lawson said the Study itself did not address industrial or transportation, but EWEB did a scenario involving high electrification of the transportation sector.

Commissioner Carlson asked if the study looked at pumped hydro storage.

Mr. Heuser said it did.

Commissioner Simpson expressed curiosity at how the material covered in the study would affect the average residential rental owner. He also wondered if the study touched on surcharges placed on carbon-consuming appliances and devices.

Mr. Lawson clarified that carbon content comes from generation, not from storage.

Commissioner Mital asked if Oregon were to join other states in a carbon reduction program, where the cheapest carbon reduction projects would reside geographically.

Mr. Heuser said as he recalled, the Northwest would be the best candidate for carbon reduction.

Commissioner Carlson asked if EWEB sold excess energy to another utility, would that mean said utility would not have to build further energy infrastructure. She wondered if energy assets needed to be kept regionally, or within each utility.

Mr. Lawson answered they would need to be maintained regionally.

President Helgeson moved to approve Resolution No. 1736. The motion passed unanimously 5:0.

Mr. Lawson stated that the carbon study will be accessible via eweb.org once it becomes available. There will also be a follow up meeting in January.

Correspondence & Board Agendas

Mr. Lawson offered the Board a report on correspondence and future Board agendas. In response to Commissioner Mital's question around the amount of funding provided to McKenzie River Trust, Mr. Morgenstern replied that \$250,000 helped them with restoration last year, in addition to that amount, there was a \$500,000 matching grant in 2017 for a total of \$750,000.

A public meeting was added on January 24th, the goal of this carbon discussion is to examine the study and talk about the goals and impacts locally of carbon legislation from various perspectives outside of EWEB which will include a presenter from E3 as well as representatives from City and State local government.

In closing, Mr. Lawson thanked the board for a good year, including the action that was taken this evening, specifically, approving the PERS liability mitigation strategy and the 2018 budget.

Mr. Lawson indicated that he will work with staff to format certain board discussions such that commissioners will have more opportunity to interact with each other when deliberating.

Assistant Secretary

President

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to authorize the General Manager to approve a Design-Build Contract with **Alstom Renewable, US LLC**, the hydro division of General Electric Renewable Energy for Design and Construction Services.

Board Meeting Date: January 9, 2018

Project Name/Contract#: 013-2017; Carmen Turbine-Generator Rehabilitation

Primary Contact: Mike McCann Ext. 7379

Purchasing Contact: Sandra Hahn Ext. 7163

Contract Amount:

Original Contract Amount: \$ 19,750,000

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval: N/A %

Amount this Request: \$ 19,750,000

Resulting Cumulative Total: \$ 19,750,000

Contracting Method:

Method of Solicitation: Request for Proposals

If applicable, basis for exemption: N/A

Term of Agreement: 4 years (2018 to 2022)

Option to Renew? N/A

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

Proposals/Bids Received (Range): \$19.7 million to \$26.7 million

Selection Basis: Scoring criteria defined in RFP determining best overall value

Narrative:

The two Carmen Powerhouse turbine-generator units are at the end of their expected life and rehabilitation is required for continued reliable power generation. The Generation Engineering Department requests Board approval for the full rehabilitation of both units.

At the February 2017, Board meeting, staff requested approval to pursue an alternative procurement process and subsequently issued a Request for Proposals (RFP) for the contract in May 2017. The RFP was written for the base scope of a single unit rehabilitation with optional bid items for work on the second unit to complete either a full rehabilitation or life extension repairs. EWEB received four proposals that were evaluated and scored based on pricing, project approach, technical design, and qualifications. Based on favorable pricing and economic and operational risk evaluation by EWEB's engineering, finance and power planning staff, it was determined that rehabilitation of both units provides an opportunity to be cost effective, balance financial risks, comprehensively repair aged equipment and increase unit reliability.

Currently, this project is in the capital improvement plan (CIP) with costs spread throughout most years through 2026. The timing of the proposed approach moves the rehabilitation of the second unit up by five years and decreases expenditures by about \$3 million from the current CIP with costs expected to

end in 2022. These changes will be reflected in the April 2018 CIP update.

The rehabilitation of the generating units, as designed in collaboration with EWEB's consulting engineers and the Contractor, are intended to replace damaged components, increase performance, and improve reliability of the equipment. The work will include design of new turbine-generator components, disassembly of the units, replacement of the existing turbine runners and wicket gates, rewind of the generators, removal of the CO2 fire systems, and inspection/repair of major components.

The highest scored responsive and responsible proposal was received from Alstom Renewable / General Electric Renewable Energy of Greenwood Village, Colorado. Bids were also received from American Hydro Corporation of York, PA, Voith Hydro, Inc. of York, PA, and Gracon, LLC of Loveland, CO. Alstom Renewable earned high marks for experience, as they were acquired by General Electric Renewables in 2015 and between the two entities, they have over 100 years of experience with similar turbine-generator refurbishment work, having designed and installed over 500 retrofitted generators worldwide. In addition, the Alstom proposal offered some of the lowest pricing for the scope of work and options needed, offered a longer warranty period than the other proposers, and submitted solid references. Alstom Renewable offers the best overall value for this project. If approved, Alstom Renewable / General Electric Renewable Energy will provide construction services as specified in the solicitation documents.

ACTION REQUESTED:

Management requests the Board to authorize the General Manager to approve a Contract with Alstom Renewable, US LLC for the rehabilitation of Carmen turbine generator units 1 and 2. The 2018 CIP and Budget include \$5.8 million to support this contract. Staff anticipates budgeting the balance of funds needed to complete this work in the years 2018 to 2022.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Helgeson, Brown, Carlson, Mital and Simpson
FROM: Sue Fahey, Chief Financial Officer; TiaMarie Harwood, Interim General
Accounting Supervisor
DATE: December 27, 2017
SUBJECT: Federal Emergency Management Agency (FEMA) Hazard Mitigation Grants
OBJECTIVE: Board Approval

Issue

In accordance with EWEB Public Contracting Rule 02-150 (6)(a) Board approval is requested for EWEB to accept two FEMA Hazard Mitigation Grants if awarded.

Background

The total costs submitted to FEMA from the December 2016 storm was \$4.7 million. EWEB has been reimbursed \$62,000 for emergency protective measures. The remaining anticipated reimbursement of \$3.5 million is currently under review by the Oregon Office of Emergency Management.

Due to the disaster declaration, EWEB is eligible to apply for funding to mitigate future storm restoration costs. There are two Federal hazard mitigation grant programs with differences in their scope, purpose, and funding - Section 404 and Section 406. The Section 406 mitigation grant is funded under the Public Assistance Program and provides discretionary grants for mitigation measures that directly reduce the potential of future, similar disaster damages to the electric distribution system impacted by the December 2016 ice storm. Section 404 grants are funded under the Hazard Mitigation Grant Program and are used to provide protection to undamaged parts of a facility or to prevent damages caused by future disasters. 404 grants may be used in conjunction with 406 grants to bring an entire service area of the distribution system to a higher level of disaster resistance, when only portions of the system were damaged by the ice storm. Both programs reimburse up to 75% of eligible costs.

Discussion

Under Section 406, EWEB has requested funding for fifteen damaged feeder-line sites at nine EWEB substations. Three of the fifteen facilities propose undergrounding overhead lines, while the remaining twelve propose reframing and reconductoring as mitigation to reduce damages from future storms for an estimated 800 residential services. EWEB's total cost estimate for this work is approximately \$1.8 million. If the entire grant were awarded, EWEB would be reimbursed about \$1.4 million.

Under Section 404, EWEB has submitted an application that includes a combination of reframing, reconductoring, and undergrounding a heavily treed residential service area from Willamette Street near Coachman Drive to Larch Street and Manzanita Street. This area experienced significant power

outages in the December 2016 Ice Storm, as well as the 2014 Ice Storm, along with numerous shorter power outages in smaller winter storm events. The majority of the outages experienced in the project areas are caused by tree limbs falling across the phase conductors. The project area includes the end of the Monroe Feeder 3722 and the end of Dillard Feeder 4728 and a portion of Dillard Feeder 4724, with an estimated impact to almost 1,600 residential services. EWEB's total cost estimate for this work is \$900,000 with \$680,000 eligible for reimbursement if awarded.

Requested Board Action

Management is requesting that the Board approve acceptance of the Section 404 and Section 406 FEMA Hazard Mitigation Grants if awarded.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with **Luvaas Cobb** for General Counsel Services.

Board Meeting Date: January 9, 2018

Project Name/Contract#: General Counsel Services / RFP 045-2017

Primary Contact: Sue Fahey Ext. 7688

Purchasing Contact: Ramie Alkire Ext. 7413

Contract Amount:

Original Contract Amount: \$ 750,000 (Over 5 years)

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval: N/A %

Amount this Request: \$ 750,000

Resulting Cumulative Total: \$ 750,000

Contracting Method:

Method of Solicitation: Formal RFP

If applicable, basis for exemption: N/A

Term of Agreement: January 9, 2018 – December 5, 2022

Option to Renew? Annually up to 5 years

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

Proposals/Bids Received (Range): 2 (\$195/hourly rate - \$295/hourly rate)

Selection Basis: Highest Ranked Proposer

The Board is being asked to approve a new contract with **Luvaas Cobb** of Eugene, OR for General Counsel Services. EWEB requires the services of a qualified legal firm to provide general legal services. In addition to general counsel, EWEB may contract with special counsel for other projects if desired. EWEB currently utilizes the services of several other legal firms to provide specialized counsel in the areas of Human Resources, Bonds, and Power Resources.

In September 2017, EWEB issued a Formal Request for Proposals (RFP) for general counsel services. Twenty-one (21) entities reviewed the RFP between the State of Oregon's Procurement site (ORPIN) and EWEB's bid page. ORPIN sends out automatic notifications to registered firms interested in the specific type of services in our RFP. Staff also proactively reached out to several firms in advance of the closing date.

EWEB received two (2) responses: (1) Luvaas Cobb of Eugene, OR and (2) Harrang Long Gary Rudnick PC of Eugene, OR. The responses were evaluated by a cross-functional team based on the weighted criteria stated in the RFP which consisted of Knowledge of Laws, Rules, and Service Philosophy (25%); Staff and Resources (20%); Fees (15%); Firm Background and Experience (15%); Relevant Case Results (15%); Transition Management Plan (5%); and References (5%).

Luvaas Cobb was found to be responsive and received the highest score in the evaluation of proposals. They scored high in Knowledge of Laws, Rules, and Service Philosophy; and Fee Schedule. Luvaas Cobb maintains a valuable historical perspective and broad range of expertise in municipal utility legal matters. Luvaas Cobb has an extensive history of representing public entities, having served as legal counsel for school districts since the 1950's. Staff has successfully negotiated a contract, and has issued a Notice of Intent to Award, pending Board approval.

The total contract amount will be approximately \$750,000 over the total five-year period. The contract amount is based on historic costs of which the hourly rate has not changed since 2008.

ACTION REQUESTED:

Management requests the Board approve a new contract with **Luvaas Cobb** of Eugene, OR for General Counsel Services. The total Finance division budget is \$8.6 million for 2018. This item will be budgeted annually.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Helgeson, Brown, Carlson, Mital and Simpson
FROM: Sue Fahey, Chief Financial Officer; Susan Eicher, Assistant Treasurer
DATE: December 22, 2017
SUBJECT: Appointment of Western Generation Agency Board Member
OBJECTIVE: Approval of Resolution No. 1801

Issue

This memo provides a recommendation for the replacement of a Western Generation Agency (WGA) board member.

Background

The Intergovernmental Agreement between EWEB and Clatskanie People's Utility District that created WGA requires that EWEB appoint three members to the WGA board of directors. For succession planning purposes, Susan Eicher is resigning from the WGA Board. Management recommends appointing Matthew Schroettmig, Power Resources Counsel, to the WGA board.

Other EWEB WGA board members include: Catherine Gray, Senior Energy Resource Analyst, and Mike McCann, Generation Manager.

Requested Board Action

Management recommends approval of Resolution No. 1801, appointing Matthew Schroettmig to the WGA board.

**RESOLUTION NO. 1801
JANUARY 2018**

**EUGENE WATER & ELECTRIC BOARD
WESTERN GENERATION AGENCY
BOARD APPOINTMENT**

WHEREAS, the Eugene Water & Electric Board (EWEB) Governance Policy (GP) 12 provides for the use of committees, outside appointments and liaisons to staff work as a means of gathering and disseminating information, representing the Board and providing preliminary input to Board decisions; and

WHEREAS, EWEB Board Policy GP12 further states that all committees, outside appointments and liaisons be created by Resolution and that all appointments to said committees, outside appointments and liaisons be made by resolution; and

WHEREAS; Western Generation Agency (WGA) Board member, Susan Eicher, is resigning from the Board;

NOW, THEREFORE, BE IT RESOLVED that the EWEB appoints Matthew Schroettnig, Power Resources Counsel to the Board of the Western Generation Agency.

Dated this 9th day of January 2018.

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

President

I, ANNE M. KAH, 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 January 9, 2018 Board Meeting.

Assistant Secretary



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Helgeson, Brown, Carlson, Mital and Simpson
FROM: Rod Price, Chief Electric Engineering & Operations Officer and Richard Fatooh, Interim Supervisor, Distribution Engineering Dept.
DATE: December 19, 2017
SUBJECT: Electric Policy Revision, Resolution No. 1802
OBJECTIVE: Board Action

Issue

EWEB Electric Operations field staff (troubleshooters) are making return trips to re-inspect underground service lateral substructure installed by customer/contractor that do not meet EWEB construction standards (EC-5-B.1000). The multiple trips are creating scheduling inefficiencies as well as extra costs due to additional inspection(s).

Background

Last year (June 2016), EWEB had assumed the responsibility of inspecting underground service lateral substructure and conductor installations, a task that would no longer be performed by the City of Eugene. Notifications to the builder/developer/contractor community were sent to communicate the change. Since this time EWEB staff has worked with the community with the positive intention to further educate those who are installing facilities to be owned by EWEB upon connection.

Discussion

Unfortunately, EWEB field staff continues to return to sites that failed inspections and although a majority are properly installed, there are many times where field staff are being rescheduled to return to the same site only to find the substructure is still not installed correctly.

Our staff, Distribution Engineering Technicians, Building and Renovations' Customer Service Analysts, and Electric Operation's troubleshooters, will continue effort to communicate information (Construction Standard) to those that are installing this substructure.

Communication to customers affected will be provided prior to the implementation with several forms of outreach.

Recommendation

Existing EWEB policy and procedures do not include any means to charge for re-inspections due to incorrect installations. Amending the policy will provide the verbiage to allow EWEB to recuperate costs for return inspections as well as provide a means of deterrence to parties that do not install facilities per our Construction Standards.

Requested Board Action

EWEB staff requests the Board to approve and revise policy per approval and adoption of Resolution No. 1802. This resolution has been reworded per Board request. Original request was submitted via Resolution 1729, December Board Meeting.



V. ELECTRIC SERVICE CHARGES AND PRICES

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

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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

(Resolution No. 1509)

- 1. Temporary Service (150 feet or less)\$280.00
- 2. Temporary Service Conductor (over 150 feet) \$3.58/ft
- 3. Temporary Transformer (single).....At estimated cost
- 4. Three-Phase Temporary Service with Primary To be computed

C. Customer-Damaged EWEB Facilities Actual Cost

D. Service Lateral Substructure Re-Inspection Charge (per visit).....\$75.00
First inspection is included with each request for service.

**RESOLUTION NO. 1802
JANUARY 2018**

**EUGENE WATER & ELECTRIC BOARD
RESOLUTION APPROVING ELECTRIC UTILITY CHARGE**

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

WHEREAS, a change to the Electric Utility Customer Service Policies for the Service Lateral Substructure Re-Inspection Charge has been presented at the January 9th, 2018 Regular Board Meeting as follows:

Service Lateral Substructure Re-Inspection Charge (per visit).....\$75.00
First inspection is included with each request for service.
Based on cost for labor and equipment for return inspection.

NOW THEREFORE, BE IT RESOLVED, that the Eugene Water & Electric Board does hereby resolve to adopt the stated Electric Utility Charge for Service Lateral Substructure Re-Inspections. Furthermore, be it resolved that the Board hereby authorizes the General Manager to update the current Customer Service Policies accordingly.

DATED this 9TH day of January, 2018.

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

President

I, ANNE M. KAH, 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 in its January 9, 2018 Regular Board Meeting.

Assistant Secretary



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD



TO: Commissioners Helgeson, Brown, Carlson, Mital and Simpson
FROM: Sue Fahey, Chief Financial Officer; Susan Eicher, Assistant Treasurer
DATE: December 22, 2017
SUBJECT: Supplemental Retirement Plan Committee Reappointment
OBJECTIVE: Approval of Resolution No. 1803

Issue

EWEB maintains a Supplemental Retirement Plan (SRP) that requires the annual appointment of a committee to make certain decisions.

Background

The EWEB SRP was created in 1968 and closed to new participants in 1988. The plan currently has 33 participants or beneficiaries, with an average age of 90 years, to whom payments are made. In 2017 EWEB contributed \$205,000 to the SRP and paid out \$171,000 in benefits to plan members. The plan is closed and there have been no recent changes in the design or terms of the plan.

Discussion

EWEB funds the plan on a “pay as you go” basis, and staff monitor and administer the plan. A contracted payroll service prepares monthly checks and tax documentation for plan participants. The terms of the plan include a cost of living adjustment (COLA) based upon the rate used by the Oregon PERS plan.

Recommendation

Management requests that the Board approve the appointment of Laura Fowler (EWEB Human Resources Benefits Consultant), Susan Eicher, (Assistant Treasurer), and Jeremy Whittlesey, (EWEB Payroll Administrator), to the Supplemental Retirement Committee.

Requested Board Action

Approval of Resolution No. 1803.

**RESOLUTION NO. 1803
JANUARY 2018**

**EUGENE WATER & ELECTRIC BOARD
ANNUAL APPOINTMENT OF SUPPLEMENTAL RETIREMENT PLAN COMMITTEE**

WHEREAS, the Eugene Water & Electric Board maintains a Supplemental Retirement Plan in effect since January 1, 1968, which was last amended and restated in July 1988, with an objective to provide a benefit on retirement which supplements Oregon PERS benefits;

WHEREAS, the Supplemental Retirement Plan is a single-employer plan providing retirement, death and disability benefits to a closed group of EWEB retirees and their beneficiaries;

WHEREAS, a Trust was created in accordance with the Pension Trust Agreement effective May 16, 1975, for the benefit of funding the Supplemental Retirement Plan;

WHEREAS, subsequent funding of the plan is provided by Board contributions, deposited to the existing trust account as needed to meet obligations to retirees, together with earnings on plan assets;

WHEREAS, the Supplemental Retirement Plan provides for annual appointment and reappointment by the Board of a Retirement Committee of three to seven members charged with the general administration of the Plan, subject to the consent and approval of the Board of Commissioners;

WHEREAS, Management recommends the Board reappoint Laura Fowler (EWEB Human Resources Benefits Consultant), Susan Eicher (EWEB Assistant Treasurer), and Jeremy Whittlesey (EWEB Payroll Administrator) as EWEB personnel without rights in or to the Supplemental Retirement Plan funds, to be appointed to the Retirement Committee,

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

The Board continues the Supplemental Retirement Plan without amendment, and hereby reappoints the Retirement Committee to be comprised of Susan Eicher, Laura Fowler, and Jeremy Whittlesey.

The Retirement Committee shall continue to administer the Supplemental Retirement Plan in accordance with its terms, and remain as trustee fulfilling applicable duties under the 1975 Pension Trust Agreement.

Dated this 9th day of January 2018.

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

President

I, ANNE M. KAH, 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 January 9, 2018 Board Meeting.

Assistant Secretary



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Helgeson, Brown, Carlson, Mital, and Simpson
FROM: Mike McCann, Electric Generation Manager
Lisa McLaughlin, Environmental and Property Supervisor
DATE: December 22, 2017
SUBJECT: Real Property Surplus Declarations
OBJECTIVE: Action Requested

Issue

In correspondence to the Board in September, staff outlined eight properties that are considered surplus to EWEB's needs. These properties were identified through an internal stakeholder vetting process. Of the eight, four resolutions have been prepared for surplus consideration by the Board.

Background

EWEB owns approximately 1,479 acres of land in Lane County. This is made up of 249 tax lots, 221 of which are actively used and 28 that are held for future use. Of this inventory, some property is no longer essential for EWEB's needs.

Staff developed a procedure to identify and dispose of property that is no longer considered necessary for utility purposes. The process includes (1) creating a list of surplus property, (2) formally declaring property surplus, (3) developing marketing strategies, and (4) marketing surplus property for sale.

Staff completed a preliminary property inventory in 2017 and identified eight properties for surplus declaration. Of those eight, four are full tax lots that may be declared as surplus without the need for additional surveys, descriptions, and/or land use actions. The other four parcels contain a combination of property that is essential to EWEB and portions that are not, and they will require additional effort prior to being declared surplus.

Discussion

Surplus Resolutions– The following properties are considered in excess of EWEB's needs and may be declared surplus at the Board's discretion. Resolutions accompany this memo.

Resolution No.	Description	Map & Tax Lot	Total Acreage	Surplus Acreage
Electric Properties				
1804	River Loop Substation Site	17-04-01-34-03502	1.00	1.00
1805	Hillaire Substation Site	17-04-19-00-02900	5.32	5.32
Total Electric Acreage				6.32
Water Properties				
1806	Shasta 1150 Pump Station Site	18-03-16-20-07400	0.28	0.28
Total Water Acreage				0.28
Generation Properties				
1807	Potter Lane Rock Pit	17-01-23-00-00100	2.00	2.00
Total Generation Acreage				2.00
Total Surplus Acreage				8.60

Additional Surplus Property – Staff identified an additional four properties that contain areas both essential to EWEB’s needs and areas that are non-essential. Because only a portion of the property is identified as surplus, a survey and legal description will be prepared so that the Board has a clear understanding of the portion considered for surplus declaration. Additionally, staff will determine the legal validity of a proposed lot partition (or lot line adjustment) to develop confidence that the proposed path is feasible.

In addition to the eight parcels already identified, staff will continue to evaluate EWEB’s other properties to identify those that are in excess of EWEB’s needs and may be considered for surplus.

Next Steps – Following Resolution adoption, the following process will ensue:

- 1) Staff will order an appraisal of the property to determine market value and highest and best use.
- 2) The City of Eugene (City) will be notified of EWEB’s intent to sell and the appraised value of the land to be sold. This will trigger the City’s 30 day first right of refusal.
- 3) In the event that the City is interested in the property, EWEB will proceed with negotiations and maintain an interest in receiving compensation that reflects true market value.
- 4) Once the City’s first right of refusal has expired, staff will provide a memo to the EWEB Board indicating our intent to designate surplus properties as available for marketing and sale. The memo will include an estimated listing price and marketing strategy.

Where necessary, staff will consult with appraisers, land use experts, and brokers regarding the cost/benefit of any given strategy. Though it is not EWEB’s intent to become land speculators, it may be possible to maximize the value of these assets while protecting EWEB’s interests and other important social and/or environmental benefits.

Recommendation

This memo is for informational purposes only.

Requested Board Action

Approval of Resolutions # 1804, 1805, 1806, and 1807.

**RESOLUTION 1804
JANUARY 2018**

**RESOLUTION DECLARING SURPLUS
FOR CERTAIN REAL PROPERTY NO LONGER NEEDED FOR UTILITY PURPOSES
EUGENE WATER & ELECTRIC BOARD**

WHEREAS, EWEB holds title to a 1.00 acre parcel of land identified on Lane County Assessor's Map #17-04-01-34 Tax Lot 3502, Lane County, Oregon, vested in the name of the City of Eugene, for the use and benefit of Eugene Water & Electric Board;

WHEREAS, the property is no longer needed for utility purposes;

WHEREAS, Eugene Code, Section 2.195 provides Eugene Water & Electric Board – Duties and Powers: "*The board shall have entire control of the water and electric utilities of the city, and all property connected therewith.*";

WHEREAS, The EWEB Board of Commissioners have endorsed EWEB's Property Management Policies and Procedures for the disposal of surplus property based on current and future utility needs, land use, and environmental considerations. EWEB Electric Managers have considered the present and future needs and are recommending that this property be declared surplus.

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

- (i) The Board does hereby declare surplus the area represented in Exhibit A; and
- (ii) Instructs the General Manager to notify the City Manager of the opportunity to obtain the property for municipal purposes as provided by Eugene Code 2.196 not later than thirty (30) days from the execution of this resolution; and
- (iii) Proper easements be reserved for current or future EWEB facilities.

Dated this 9th day of January 2018.

THE CITY OF EUGENE, OREGON
Acting by and through the
EUGENE WATER & ELECTRIC BOARD

President

I, ANNE KAH 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 January 9, 2018, Regular Board Meeting.

Assistant Secretary

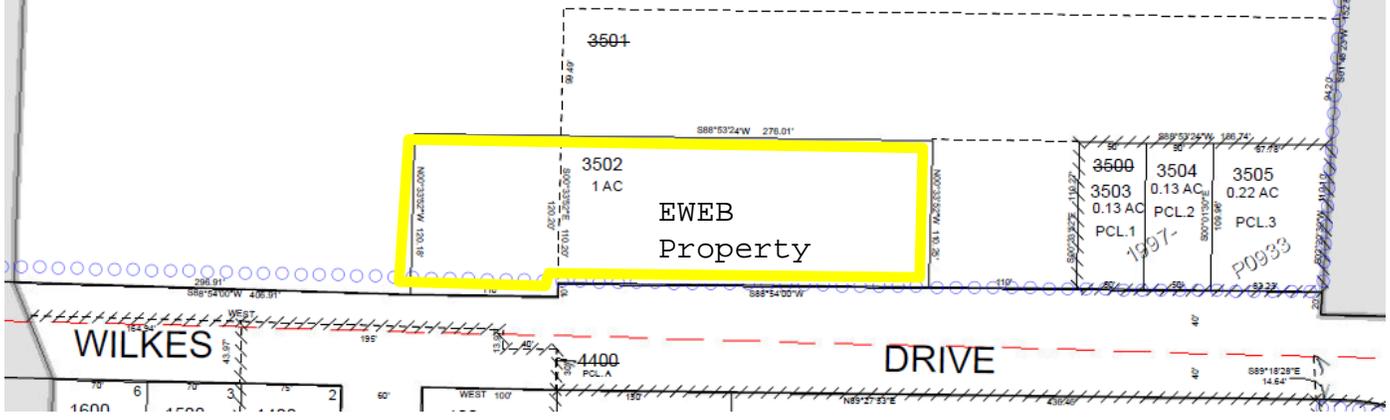


3300
15.08 AC



EUGENE SCHOOL DISTRICT 4-J
MADISON SCHOOL

004-00



Note: This exhibit does not represent a survey and is only intended to compliment the attached Resolution for clarification purposes.

		Date: 01/03/2018
		By: CL Eggleston
Lane County Assessor's Map # 17-04-01-34 Tax Lot 03502	Scale: None	EXHIBIT "A"

**RESOLUTION 1805
JANUARY 2018**

**RESOLUTION DECLARING SURPLUS
FOR CERTAIN REAL PROPERTY NO LONGER NEEDED FOR UTILITY PURPOSES
EUGENE WATER & ELECTRIC BOARD**

WHEREAS, EWEB holds title to a 5.32 acre parcel of land identified on Lane County Assessor's Map #17-04-19-00 Tax Lot 2900, Lane County, Oregon, vested in the name of the City of Eugene, for the use and benefit of Eugene Water & Electric Board;

WHEREAS, the property is no longer needed for utility purposes;

WHEREAS, Eugene Code, Section 2.195 provides Eugene Water & Electric Board – Duties and Powers: "*The board shall have entire control of the water and electric utilities of the city, and all property connected therewith.*";

WHEREAS, The EWEB Board of Commissioners have endorsed EWEB's Property Management Policies and Procedures for the disposal of surplus property based on current and future utility needs, land use, and environmental considerations. EWEB Electric Managers have considered the present and future needs and are recommending that this property be declared surplus.

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

- (i) The Board does hereby declare surplus the area represented in Exhibit A; and
- (ii) Instructs the General Manager to notify the City Manager of the opportunity to obtain the property for municipal purposes as provided by Eugene Code 2.196 not later than thirty (30) days from the execution of this resolution; and
- (iii) Proper easements be reserved for current or future EWEB facilities.

Dated this 9th day of January 2018.

THE CITY OF EUGENE, OREGON
Acting by and through the
EUGENE WATER & ELECTRIC BOARD

President

I, ANNE KAH 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 January 9, 2018, Regular Board Meeting.

Assistant Secretary

**RESOLUTION 1806
JANUARY 2018**

**RESOLUTION DECLARING SURPLUS
FOR CERTAIN REAL PROPERTY NO LONGER NEEDED FOR UTILITY PURPOSES
EUGENE WATER & ELECTRIC BOARD**

WHEREAS, EWEB holds title to 0.28 acre parcel of land identified on Lane County Assessor's Map #18-03-16-20 Tax Lot 7300, Lane County, Oregon, vested in the name of the City of Eugene, acting by and through the Eugene Water & Electric Board;

WHEREAS, the property is no longer needed for utility purposes;

WHEREAS, Eugene Code, Section 2.195 provides Eugene Water & Electric Board – Duties and Powers: "*The board shall have entire control of the water and electric utilities of the city, and all property connected therewith.*";

WHEREAS, The EWEB Board of Commissioners have endorsed EWEB's Property Management Policies and Procedures for the disposal of surplus property based on current and future utility needs, land use, and environmental considerations. EWEB Water Department Managers have considered the present and future needs and are recommending that this property be declared surplus.

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

- (i) The Board does hereby declare surplus the area represented in Exhibit A; and
- (ii) Instructs the General Manager to notify the City Manager of the opportunity to obtain the property for municipal purposes as provided by Eugene Code 2.196 not later than thirty (30) days from the execution of this resolution; and
- (iii) Proper easements be reserved for current or future EWEB facilities.

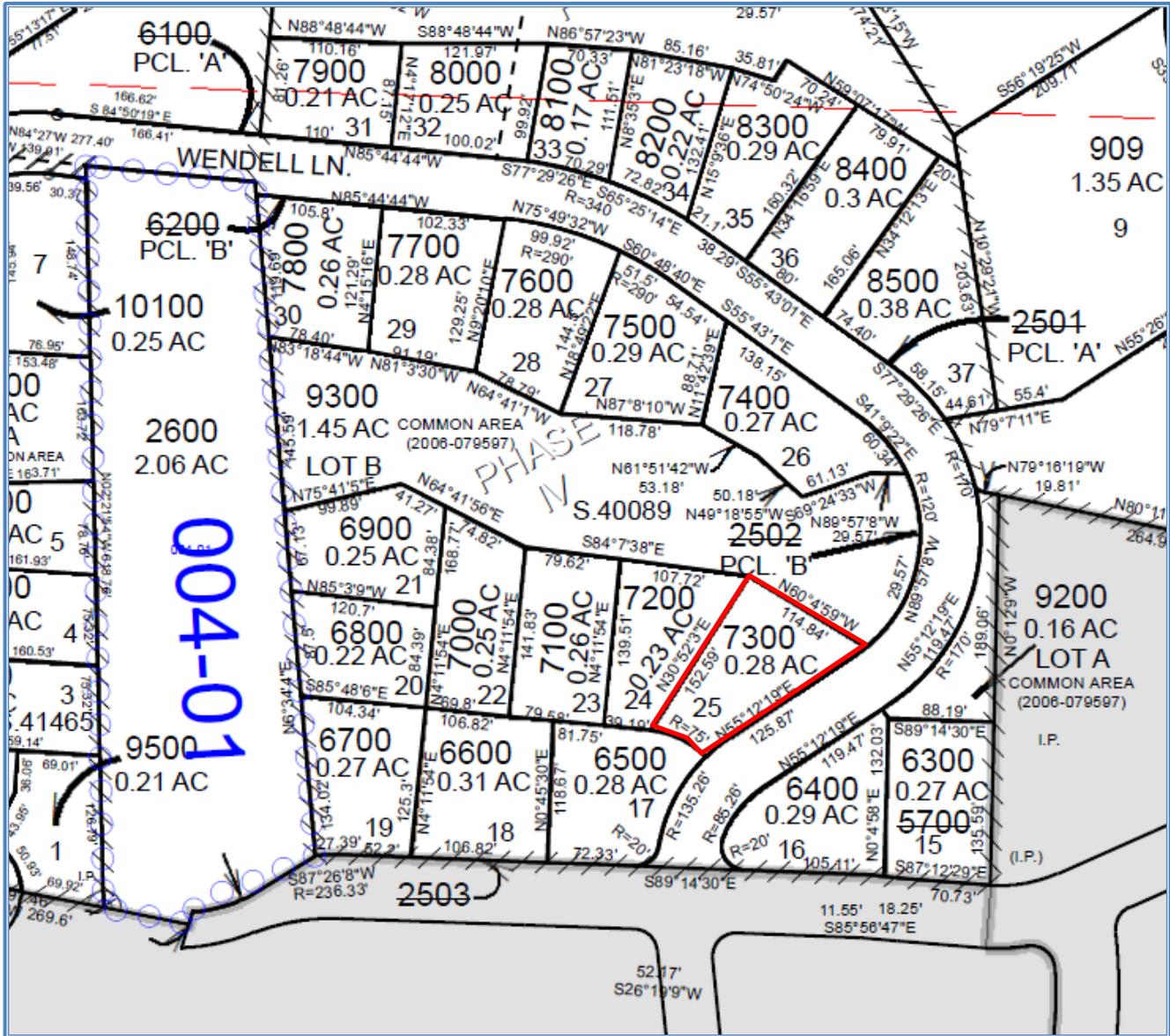
Dated this 9th day of January 2018.

THE CITY OF EUGENE, OREGON
Acting by and through the
EUGENE WATER & ELECTRIC BOARD

President

I, ANNE KAH 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 January 9, 2018, Regular Board Meeting.

Assistant Secretary



004-01

Note: This exhibit does not represent a survey and is only intended to compliment the attached Resolution for clarification purposes.

		<p>Date: 01/03/2018</p> <p>By: CL Eggleston</p>
<p>Lane County Assessor's Map # 18-03-16-20 Tax Lot 7300</p>	<p>Scale: None</p>	<p>EXHIBIT "A"</p>

**RESOLUTION 1807
JANUARY 2018**

**RESOLUTION DECLARING SURPLUS
FOR CERTAIN REAL PROPERTY NO LONGER NEEDED FOR UTILITY PURPOSES
EUGENE WATER & ELECTRIC BOARD**

WHEREAS, EWEB holds title to 2.00 acre parcel of land identified on Lane County Assessor's Map #17-01-23-00 Tax Lot 100, Lane County, Oregon, vested in the name of the City of Eugene, Lane County, Oregon, a municipal corporation, for the use and benefit of Eugene Water & Electric Board;

WHEREAS, the property is no longer needed for utility purposes;

WHEREAS, Eugene Code, Section 2.195 provides Eugene Water & Electric Board – Duties and Powers: "*The board shall have entire control of the water and electric utilities of the city, and all property connected therewith.*";

WHEREAS, The EWEB Board of Commissioners have endorsed EWEB's Property Management Policies and Procedures for the disposal of surplus property based on current and future utility needs, land use, and environmental considerations. EWEB Generation Managers have considered the present and future needs and are recommending that this property be declared surplus.

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

- (i) The Board does hereby declare surplus the area represented in Exhibit A; and
- (ii) Instructs the General Manager to notify the City Manager of the opportunity to obtain the property for municipal purposes as provided by Eugene Code 2.196 not later than thirty (30) days from the execution of this resolution; and
- (iii) Proper easements be reserved for current or future EWEB facilities.

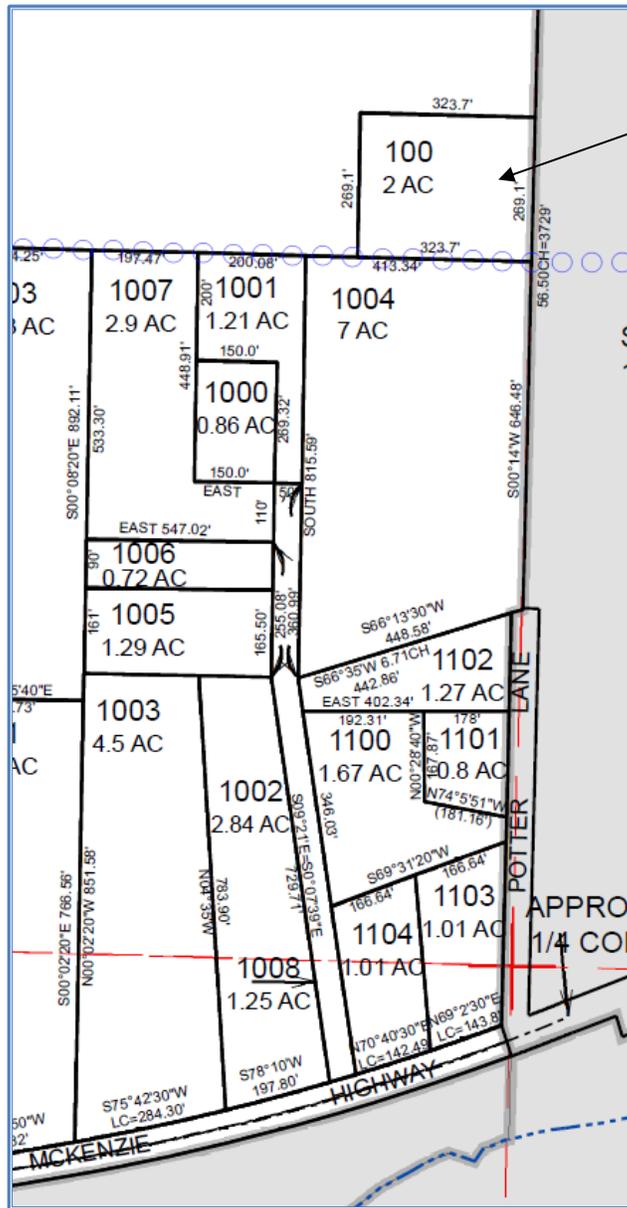
Dated this 9th day of January 2018.

THE CITY OF EUGENE, OREGON
Acting by and through the
EUGENE WATER & ELECTRIC BOARD

President

I, ANNE KAH 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 January 9, 2018, Regular Board Meeting.

Assistant Secretary



EWEB
Property

Note: This exhibit does not represent a survey and is only intended to compliment the attached Resolution for clarification purposes.

Lane County Assessor's
Map # 17-01-23-00 Tax Lot 100

Scale: None

Date: 8/8/2017

By: CL Eggleston

EXHIBIT "A"