

**EUGENE WATER & ELECTRIC BOARD
EXECUTIVE SESSION #1
EWEB BOARD ROOM
500 EAST 4TH AVENUE
MARCH 5, 2019
4:15 P.M.**

Commissioners Present: Sonya Carlson, President; Steve Mital, Vice President; Dick Helgeson, Mindy Schlossberg and John Brown Commissioners.

Others present: Sue Fahey, Assistant General Manager/Chief Financial Officer; Mel Damewood, Chief Water Engineering & Operations Officer; Rod Price, Chief Electric Engineering & Operations Officer; Lena Kostopulos, Chief Human Resources Officer; Matt Barton, Chief Information Officer, Susan Ackerman, Chief Energy Officer; and Anne Kah, Executive Assistant

EXECUTIVE SESSION:

The Executive Session #1 was called to order at 4:15 p.m.

Pursuant to ORS 192.660(2)(i)

The EWEB Board of Commissioners met in Executive Session to review and evaluate the employment performance of the General Manager.

President Carlson adjourned the Executive Session meeting at 4:45 p.m.

Assistant Secretary

President

**EUGENE WATER & ELECTRIC BOARD
EXECUTIVE SESSION #2
EWEB BOARD ROOM
500 EAST 4TH AVENUE
MARCH 5, 2019
4:45 P.M.**

Commissioners Present: Sonya Carlson, President; Steve Mital, Vice President; Dick Helgeson, Mindy Schlossberg and John Brown Commissioners.

Others present: Frank Lawson, General Manager; Susan Ackerman, Chief Energy Officer; Mike McCann, Generation Manager; Sue Fahey, Assistant General Manager/Chief Financial Officer; Mel Damewood, Chief Water Engineering & Operations Officer; Rod Price, Chief Electric Engineering & Operations Officer; Lena Kostopulos, Chief Human Resources Officer; Tim O'Dell, Right-of-Way Agent; Lisa McLaughlin, Environmental Supervisor; Jared Rubin, Environmental Specialist; Matt Barton, Chief Information Officer; Anne Kah, Executive Assistant and Laura Maffei of Cable Huston.

EXECUTIVE SESSION:

The Executive Session #2 was called to order at 4:45 p.m.

Pursuant to ORS 192.660(2)(f)

The EWEB Board of Commissioners met in Executive Session to consider information or records that are exempt by law from public inspection.

President Carlson adjourned the Executive Session meeting at 5:18 p.m.

Assistant Secretary

President

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
March 5, 2019
5:30 P.M.**

Commissioners may pose questions to staff prior to the scheduled board meeting. To view Commissioners' pre-meeting questions and staff responses, visit <http://www.eweb.org/about-us/board-of-commissioners/2019-board-agendas-and-minutes>.

Commissioners Present: Sonya Carlson, President; Steve Mital, Vice President; John Brown, Dick Helgeson, Mindy Schlossberg, Commissioners

Others Present: Frank Lawson, General Manager; Mel Damewood, Chief Water Engineering & Operations Officer; Sue Fahey, Assistant General Manager & Chief Financial Officer; Deborah Hart, Financial Services Manager; Anne Kah, Executive Assistant to the EWEB Board; Larry Longworth, Dispatch Supervisor; Wally McCullough, Water Engineering Supervisor; Scott Mehlbrech, Acting Line Supervisor; Rod Price, Chief Electric Engineering & Operations Officer

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

Agenda Check

Commissioner Helgeson noticed there was no space on the Agenda set aside to talk about the possible undergrounding of utility infrastructure on South Willamette Street, so he offered that he would say a few words on that subject after Public Input, and during Correspondence & Board Agendas.

Mr. Lawson asked for the Board's leeway for staff giving a brief presentation and update on EWEB's response to the recent snowstorm.

The Board gave its consensus for a storm update from staff.

Items from Board Members and General Manager

- Commissioner Brown announced that two weeks ago, he presented in front of the Springfield Utility Board (SUB) on the subject of water treatment plant collaboration. He said the presentation was well-received. Commissioner Brown said he had also recently given a presentation to the Springfield City Council Legislative Committee on HB 2020. Lastly, he expressed concern about the spring rush of salmon that would not be able to access the fish ladder at Leaburg Dam due to low water levels.
- Vice President Mital offered that several months ago, a former minutes recorder working with EWEB gave testimony about her mother receiving low-income support

from the utility, which resulted in EWEB making changes to that support system. He said that he saw this person recently, and she said she was able to sign her mother up for EWEB's low-income support program very easily, and she was very thankful. Vice President Mital said that he and Commissioner Schlossberg had recently attended the Public Interest Environmental Law Conference and it was very informative.

- President Carlson thanked staff for their hard work and diligence during and after the snowstorm. She offered that she had recently attended a Steam Plant Open House, including a virtual tour which the event organizers said they would be happy to bring before the Board in a short presentation before the start of a Board meeting; she said, since the other Commissioners seemed interested, she would like staff to contact the organizers and set that up in the future. President Carlson reported that she had recently spent a couple of days in D.C. advocating for public power. She said that she asked all the government officials and staff she met with to sign onto a Bill appealing the FCC ruling that has been affecting local control.
- Commissioner Helgeson thanked staff for their hard work and diligence during and after the snowstorm. He reported that he participated on the Northwest Public Power Association's (NWPPA) interview team in Portland, at which he made a recommendation for the selection of NWPPA's new Executive Director.
- Commissioner Schlossberg thanked staff for their hard work and diligence during and after the snowstorm. She also stated that she was looking forward to discussing next steps following the joint meeting between the EWEB Board of Commissioners and Eugene City Council.
- Mr. Lawson assured Commissioner Brown that he and staff would make and compile notes on the fish hatchery, and the Leaburg Dam's impact on salmon runs. He introduced: Mr. Price, Ms. Fahey, Mr. Longworth, and Mr. Mehlbrech, who gave a brief situational update and PowerPoint presentation on the restoration efforts during and after the snowstorm.

Commissioner Helgeson wondered how many individual work orders were involved in restoration efforts.

Mr. Price replied that staff was still compiling all the storm restoration statistics, and he hoped to bring those back completed to the Board in April.

Public Input

Tana Shepard of Eugene, and representing 4J School District, thanked EWEB for funding the education partnership with 4J, and she said the Turbine Workshop was piloting this week for the first time. Ms. Shepard announced the 2019 Solar Challenge would take place on June first.

Brinda Narayan-Wold of Eugene, and McCornack Elementary School, shared her appreciation for EWEB working with McCornack Elementary, and specifically, for working with the McCornack Has Heart Campaign, a program at that school which collects donations to go to low-income McCornack families who need heating help in the winter months.

Robin Bloomgarden of Eugene said she was disappointed by factors missing from the E3 (Energy Environmental Economics) study. She said, in the E3 report, the support for homeowners installing their own solar as backup energy generation was lacking. Ms. Bloomgarden expressed unhappiness at the E3's failure to mention EWEB reaching capacity by building on top of already-built environments.

Katie Glenn of the upriver community was frustrated that a lot of upriver homes had their electricity tied to their water, so in the event of an extended power outage, like that experienced during the recent snowstorm, those people would lose both water and electricity. She said the lack of communication by EWEB to the upriver community during and after the storm event was disheartening. Ms. Glenn concluded that the upriver community wanted to be treated as an equal with Eugene.

Eben Foder of Eugene spoke in favor of undergrounding power on South Willamette Street as a way for the utility to invest in modernization, reliability, public safety, and the beauty of the area's major transportation corridors. He urged EWEB to take action as soon as possible--even at tonight's meeting if they could. Mr. Foder was afraid if EWEB did not act immediately, they would lose the chance to bury the utility infrastructure on that four-block stretch of South Willamette.

Victor Oddivak of Eugene thanked EWEB for their restoration efforts during and after the recent snowstorm. He also spoke in favor of undergrounding power on South Willamette Street. Mr. Oddivak reminded those present that a City Resolution was passed in 1987, which stated all the power lines in Eugene must be undergrounded. He also spoke against investing money in smart meters and 5G.

Randy Prince of Eugene spoke in favor of undergrounding power on South Willamette Street. He offered that EWEB had a great opportunity with this potential project to modernize the City of Eugene, and, by undergrounding the energy utilities, make it safer for pedestrian and bicycle traffic.

Commissioner Helgeson said he would like to set aside time in the near future for further Board discussion on EWEB's undergrounding policy as per the potential undergrounding project on South Willamette. He said that voting on this issue at this meeting would run counter to EWEB's longstanding policies, and practices of the Board. Commissioner Helgeson concluded that he did not believe--if the Board was to vote on this issue at this meeting--the votes would be there to move this project forward at this time.

President Carlson thanked Ms. Shepard and Ms. Narayan-Wold for offering EWEB updates on how the programs at their schools are doing, and for inviting Board members to attend events at the schools. She said that, to her knowledge, utility infrastructure could not be buried directly beneath where it exists now on South Willamette, because of the configuration beneath South Willamette.

Mr. Lawson clarified that any South Willamette undergrounding, would actually be undergrounded at a different, adjacent location.

President Carlson thanked Ms. Glenn for coming down to fill the Board in on storm restoration activities (or lack thereof) in the upriver community.

Approval of Consent Calendar

MINUTES

1. a. February 5, 2019 Regular Session

CONTRACTS

2. **Tyndale Company Inc.** - for Fire Retardant Apparel. \$650,000 (over 5 years).

INTERGOVERNMENTAL AGREEMENTS

3. **United States Geological Survey (USGS)** - for water quality monitoring and analysis services for Source Water Protection. \$161,500, resulting cumulative total \$229,889.

RESOLUTIONS

4. **Resolution No. 1905** - Authorizing the General Manager to enter into a settlement agreement with the Cascade Natural Gas Corporation and Pacificorp for the remediation and long term maintenance of the former Manufactured Gas Plant (MGP) located on EWEB property.

5. **Resolution No. 1906** - Addition of Joint Use Charges and Fees to Customer Service Policy.

6. **Resolution No. 1907** - Dark Fiber Lease Price Revision.

7. **Resolution No. 1909** - Joint Use of EWEB Facilities for Telecommunications.

Commissioner Brown moved to approve the Consent Calendar as presented. The motion passed unanimously 5:0.

Items Removed From Consent Calendar

None.

Second Water Treatment Plant - Situational Update

Mr. Damewood, Ms. Hart, and Mr. McCullough offered the Board a situational update and PowerPoint presentation on the second water treatment plant.

Commissioner Brown asked if EWEB could build a second water treatment plant on the acquired land.

Mr. McCullough said there would be land use hurdles to overcome on the property in question.

Mr. Damewood offered that of the five years EWEB has set aside for the project's completion, three of those years would be dedicated to the land use issues.

Commissioner Brown asked if, in the event of an emergency, the wells owned by EWEB in North Eugene could be brought online.

Mr. Damewood replied those wells had no pumping apparatuses and they had substantial interference with both Rainbow Water District and SUB. He added that EWEB could only remove approximately 2-4 million gallons a day from them.

Mr. Lawson offered that it was the aforementioned land use issues which had informed EWEB's decision to defer this project. He stressed the importance of EWEB creating as many options as possible for itself.

Vice President Mital inquired into the EWEB's Permit on the Willamette requiring completion of construction of the second plant by 2033.

Mr. McCullough said it was a requirement expressed on EWEB's Willamette permit. He added that there may be options to extend the 2033 completion date if necessary.

Vice President Mital said he preferred to continue pursuing the partnership opportunity with SUB, and delay any immediate action on this project.

Commissioner Schlossberg asked how much water capacity EWEB had currently for emergency situations.

Mr. Damewood said that current emergency water capacity was approximately five to six days in winter, and less than 24 hours in summer.

Commissioner Helgeson asked if this project was included in EWEB's Capital Improvement Plan (CIP); he also asked if the projected startup date of the project was around 2023.

Mr. Damewood returned that--if deferred--EWEB would most likely schedule the project to begin in 2023-25 for purposes of the Financial Plan and the CIP.

President Carlson asked if current Hayden Bridge technologies could be retrofitted with new technology to combat the cyanotoxin threat.

Mr. McCullough replied that was possible, although it could potentially be a financial issue for the utility, as it would cost approximately \$30 million.

Commissioner Brown asked what should be done about the aforementioned land use in the meantime.

Mr. Lawson answered that he believed there was still some open issues surrounding the Miranda case that needed to be addressed.

Break

President Carlson called for a break at 7:01 p.m. The meeting resumed at 7:11 p.m.

General Manager's Annual Performance Evaluation for 2018

President Carlson praised Mr. Lawson for his work and the work of staff in general.

Mr. Lawson thanked President Carlson and the Board for their kind words, and he offered that an organization's General Manager was only as good as the organization itself. He thanked the Board and EWEB staff for their hard work and dedication to the utility and the community it serves.

Potential Next Steps for Collaboration with City of Eugene

Commissioner Schlossberg offered that the joint meeting with Eugene City Council went great, and was a good first step; she wanted to know what was next for that relationship. Commissioner Schlossberg added that she would be happy to be an EWEB Board-appointed liaison to the City of Eugene.

Commissioner Mital clarified that he would want to limit the role to climate related issues, rather than designating a liaison between the two organizations broadly, as the latter should largely be done by the Board President.

Commissioner Helgeson moved to designate Commissioner Schlossberg as EWEB's designated liaison to the Eugene City Council regarding follow up on our discussions with them last month. The motion passed unanimously 5:0.

Correspondence and Board Agendas

Mr. Lawson offered the Board a report on Correspondence and Board Agendas.

Commissioner Helgeson indicated that he would like to further explore the question of undergrounding on Willamette Street, and hopes other Board members are willing to schedule time to have that conversation.

Mr. Lawson acknowledged head nods from the Board in favor of holding the proposed conversation. He stressed the importance of the timing of that discussion, recommending that it occur in the context of reviewing the strategic plan and the capital plan. He stressed the importance of prioritizing where reliability and aesthetics fit into EWEB's strategy.

Commissioner Schlossberg voiced that undergrounding the utilities on Willamette would encompass more than just aesthetics. She added that she wants to make sure the Board looks at it more broadly.

Vice President Mital concurred with Commissioner Helgeson. He posited the value statement is the budget. He went on to say that EWEB will continue to prioritize resiliency and safety, but that's not to say there could not be some budget allocation at a significantly smaller level, to deal with things that don't make it into the capital improvement plan as priorities, but perhaps do make it in for aesthetic concerns.

Board Wrap Up

Ms. Kah said they had settled on the date of May 23, 2019 for the float trip with Helfrich Outfitters. She added that in her correspondence with Helfrich Outfitters, there were some logistics questions raised. Ms. Kah offered to send an email to Commissioners with those questions.

Vice President Mital said that during the recent snowstorm, he noticed many traffic signal lights in Eugene were not functioning; he wondered why, because he was under the impression there was emergency power supplies to run such things in the city.

Mr. Price returned that the City has portable generators and was probably having problems finding places to set up said emergency power generators.

President Carlson stressed the importance of EWEB's dedication to the upriver community. She wondered if there was any further help the utility could offer that community to help them deal with storm aftermath.

Mr. Lawson said he agreed with the decisions EWEB made during and after the snowstorm as per restoration efforts. He said he would continue to review post-storm reports to find places the utility could improve during the next storm event.

Adjourn

President Carlson adjourned the meeting at 7:51 p.m.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Personal Services Agreement with **CH2M HILL ENGINEERS, INC. dba JACOBS** for engineering, design, and related services for the Carmen-Smith Fish Passage Facilities

Board Meeting Date: April 02, 2019

Project Name/Contract #: Carmen-Smith Fish Passage Facilities / #080-2018

Primary Contact: Susan Ackerman Ext. 7185

Contract Amount:

Original Contract Amount: \$ 10,000,000

Additional \$ Previously Approved: \$ 0

Invoices over last approval: \$ 0

Percentage over last approval: 0 %

Amount this Request: \$ 10,000,000

Resulting Cumulative Total: \$ 10,000,000

Contracting Method:

Method of Solicitation: Formal RFP process

If applicable, basis for exemption: n/a

Term of Agreement: Up to seven years, depending on license issue date

Option to Renew? Yes

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

Proposals/Bids Received (Range): 3 (cost not applicable; QBS process)

Selection Basis: Qualification Based Selection (QBS)

Narrative:

Operational Requirement and Alignment with Strategic Plan

The Board is being asked to approve a new Personal Services contract with Jacobs of Corvallis, Oregon for the purchase of engineering and related services for the Carmen-Smith Fish Passage Facilities to be constructed at Trail Bridge Reservoir. This contract will implement major parts of the anticipated operating license for the Carmen-Smith Project. The anticipated license is in final review by the FERC.

Contracted Goods or Services

Design services required to support fish passage implementation.

The total fee estimate for the base engineering, development of procurement specifications for major equipment, and bid/construction phase services is \$10 million. This estimate may vary significantly depending on the specific requirements of the license, the extent of prior design information that can be re-used, and the scope of FERC dam safety review during design.

Task Orders will be scoped and negotiated in advance of Board Approval. Management expects Task Orders 1 and 5 (upstream and downstream passage pre-design evaluations) to be negotiated and brought to the Board in May, and completed within 6 months. No other Task Orders are expected to be issued before the final license is issued by the FERC.

Billing rate negotiations have been completed and acceptable insurance certificates have been received. Jacobs

billing rates are consistent with engineering firms in the northwest and as compared to other firms currently doing similar work for EWEB.

Prior Contract Activities

None

Purchasing Process

In December 2018, in accordance with Oregon public procurement rules, EWEB initiated a Request for Proposals (RFP) using the Qualifications Based Selection (QBS) process for engineering services for upstream and downstream fish passage. Proposals were received from Jacobs of Corvallis, OR, McMillen-Jacobs Associates of Boise, ID, and R2 Resource Consultants of Redmond, WA. All firms were highly qualified. Jacobs, and McMillen Jacobs Associates were shortlisted for interviews. After interviews were conducted, Jacobs was selected as the most qualified consultant, consistent with QBS criteria.

The proposed contract structure is that of a master services agreement and subsequent, individually negotiated task orders. Identified major work tasks (Task Orders) will include:

1. Upstream Passage - Attraction Water Supply route selection.
2. Upstream Passage - Trap and Haul Facility design
3. Spawning Channel Improvements design
4. Tailrace Barrier Demolition design
5. Downstream Passage - Spillway Gate Modification Alternative Evaluation
6. Downstream Passage - Spillway Gate and Hoist design
7. Downstream Passage - Spillway surface modification design

Competitive Fair Price (if less than 3 responses received)

Not applicable

ACTION REQUESTED:

Management requests the Board approve a Personal Services Agreement with **CH2M HILL ENGINEERS, INC. dba JACOBS** for engineering, design, and related services for the Carmen-Smith Fish Passage Facilities. The budget for these services in 2019 is \$895,000 and is highly dependent on the timing of the issuance of the license. Funds for this work have been budgeted through 2023. The total department budget for 2019 is \$15 million.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Construction Contract with **H&J Construction, Inc.** to perform the **Willamette Street Water Main Replacement.**

Board Meeting Date: April 2, 2019

Project Name/Contract#: Willamette Street Water Main Replacement / ITB 007-2019

Primary Contact: Rod Price Ext. 7122

Purchasing Contact: Collin Logan Ext. 7486

Contract Amount:

Original Contract Amount: \$900,000

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0 %

Amount this Request: \$900,000

Resulting Cumulative Total: **\$900,000**

Contracting Method:

Method of Solicitation: Formal Invitation to Bid

If applicable, basis for exemption: n/a

Term of Agreement: One Time Purchase (Construction)

Option to Renew? No

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

Bids Received (Range): 2 (\$898,425 - \$927,731)

Selection Basis: Lowest Responsible and Responsive Bidder

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB proactively addresses the aging water distribution system by annually replacing failing and/or inadequate water pipelines. The goal of this program is to reduce risks associated with water main breaks and increase the reliability and performance of the overall distribution system. In accordance with recommendations in the Water Master Plan, a risk model is used to prioritize and identify pipelines for replacement. In addition, new pipelines are installed to current standards using materials and methods to improve the resiliency to pipeline damage during an earthquake. Staff actively collaborate with the City of Eugene to replace high risk water mains ahead of the City's planned paving jobs when feasible. By partnering with the City, EWEB is able to reduce our surface restoration costs incurred as well as reduce impacts to the community.

Contracted Goods or Services

This project will replace approximately 2,900 lineal feet of existing 20" and 16" Cast Iron pipe with new 24" and 16-inch diameter, zinc-coated ductile iron pipe. The project will include replacing (63) service lines, and (6) fire hydrant assemblies. The new pipeline, services, and hydrants will improve reliability of the water system in this area, increase resiliency of the overall distribution system, and reduce future costs related to repairing the city's planned concrete street improvements.

Prior Contract Activities

Recent Projects with Contractor for Similar Work

Contract No.	Description	Board Approval Date	Dates (from Notice to Proceed to Close of Work Order)	Original Contract Amount	Final or Current Contract Amount
046-2018	Hayden Bridge Pond and Drain, Improvements	09/04/2018	09/11/18 - present	\$ 426,500.00	\$ 505,262.00
1011-2016	Harris Street Water Service Sleeve Installation	n/a	03/22/16 – 12/14/2016	\$ 56,521.40	\$ 54,347.50
028-2015	Main Improvement for Roosevelt Middle School	07/21/2015	08/03/15 – 03/14/16	\$ 292,639.88	\$ 294,370.88

Purchasing Process

Staff issued a formal Invitation to Bid in February 2019. A voluntary pre-bid conference was attended by four contractors. Staff received two bids, the lowest responsive and responsible bid was received from H&J Construction of Eugene, Oregon. An additional bid was received from Wildish Construction of Eugene, OR. If approved, H&J Construction will provide construction services as specified in the solicitation documents.

ACTION REQUESTED:

Management requests the Board approve a Construction Contract with **H&J Construction, Inc.** for **Willamette Street Water Main Replacement**. Approximately \$2.5M was planned for these goods or services (main replacements/improvements) in the Water Capital 2019 budget of \$15M. Variances will be managed within the budget process and Board policy.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Contract with **Michels Corporation** for the **construction of Holden Creek Substation Transformer Addition**.

Board Meeting Date: April 2, 2019

Project Name/Contract#: Holden Creek Substation Transformer Addition Construction / ITB 008-2019

Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$215,000

Additional \$ Previously Approved: \$ n/a

Invoices over last approval: \$ n/a

Percentage over last approval: n/a %

Amount this Request: \$215,000

Resulting Cumulative Total: \$215,000

Contracting Method:

Method of Solicitation: ITB 008-2019

If applicable, basis for exemption: n/a

Term of Agreement: July 5, 2019

Option to Renew? No

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

Proposals/Bids Received (Range): \$195,700 to \$212,750

Selection Basis: Lowest Responsive and Responsible Bid

Narrative:

Operational Requirement and Alignment with Strategic Plan

The Holden Creek Substation was originally designed and commissioned in early 2018 with one 20MVA distribution power transformer, with provisions for installation of a second in the future. After commissioning, further distribution system reliability studies were completed to determine the effects of various failure modes and operating constraints for the station and upriver distribution customers. Based on the study results, it was determined a second power transformer would be needed at Holden Creek to meet EWEB reliability standards.

Contracted Goods or Services

Substation construction activities required to support the installation of the new transformer. Work includes foundations, conduit, ground mat connections, electrical bus, and control cable installation.

Purchasing Process

EWEB issued ITB 008-2019 in January 2019 and a mandatory pre-bid meeting was held in which six (6) prospective bidders and subcontractors attended. The ITB responses were opened in March and reviewed by staff. Bidders were required to demonstrate relevant experience in substation projects with medium-voltage air insulated switchgear (AIS), have a comprehensive electrical training program, membership in the National Electrical Contractors Association, and hold a local office in either Oregon or Washington State. Two (2) responses were received and evaluated by staff. Responses were received from Michels Corporation of Neenah, Wisconsin and Power Technology, Inc. of Woodland, Washington. Power Technology did not submit all required bid documents and was deemed Non-Responsive. Michels Corporation was determined to be the lowest responsible and responsive bid.

Prior Contract Experience with Michels Corporation

Michels Corporation was contracted in 2017 for the initial construction of Holden Creek Substation (ITB 056-2016).

The initial contract was for \$1,489,303.40 with a final cost of \$1,562,828.33 (+4.9%). The work performed by Michels under this contract was very good.

Michels Corporation additionally won the contract for the Leaburg Substation Reduction (ITB 030-2018). This contract is for \$551,288.00 but work has not yet started under this contract.

Competitive Fair Price (If less than 3 responses received)

Total contract amount: \$212,750

Michels Corporation fees are consistent with other construction companies for similar types of work.

ACTION REQUESTED:

Management requests the Board approve a Contract with **Michels Corporation** for the **construction of Holden Creek Substation Transformer Addition**. Approximately \$1.66 million was planned for the Holden Creek Transformer Addition project in the Electric Division 2019 budget of \$37 million. Variances will be managed within the budget process and Board policy.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Manager: _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Contract with **Pacific Excavation, Inc.** for **construction services at EWEB's Carmen-Smith Hydro Project.**

Board Meeting Date: April 2, 2019

Project Name/Contract #: Water System Improvements / ITB 002-2019

Primary Contact: Susan Ackerman Ext. 7185

Contract Amount:

Original Contract Amount: \$238,000

Additional \$ Previously Approved: \$ n/a

Invoices over last approval: \$ n/a

Percentage over last approval: n/a %

Amount this Request: \$238,000

Resulting Cumulative Total: \$238,000

Contracting Method:

Method of Solicitation: Formal Invitation to Bid

If applicable, basis for exemption: n/a

Term of Agreement: April 3, 2019 to September 28, 2019

Option to Renew? No

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

Proposals/Bids Received (Range): 4 (\$237,880 - \$718,000)

Selection Basis: Lowest Responsive and Responsible Bid

Narrative:

Operational Requirement and Alignment with Strategic Plan

The current Carmen-Smith well water system serves the Project office, shops, Operator homes, irrigation, and Carmen Power Plant. The existing system is likely under the direct influence of surface water and therefore not in regulatory compliance. This capital project will bring the water system into regulatory compliance by changing the water source from the existing well to a newly drilled well located in Trail Bridge Campground. The new well will provide water to both the Carmen-Smith Campus and facilities, as well as Trail Bridge Campground.

Contracted Goods or Services

Work for 2019 is expected to occur between April and the end of September. Work includes demolition of an existing water storage tank, installation of a 3" HDPE water pipe from a newly drilled well in Trail Bridge Campground to existing piping downstream of the demolished potable water storage tank, installation of a new potable water storage tank, fiberglass pump house structure, and all related piping, valves, and appurtenances.

Prior Contract Activities

None

Purchasing Process

EWEB issued ITB 002-2019 in February 2019, and a voluntary pre-bid meeting was held in which eight (8) prospective bidders and subcontractors attended. The ITB responses were opened in March and reviewed by staff. Bidders were required to demonstrate relevant experience in comparable projects and required identifying experience of key personnel who will manage the project during construction. Four (4) responses were received and evaluated by staff. Responses were received from Morello Construction of Chiloquin, OR, Wildish Building Co. of Eugene, OR., DJ Miller Construction of Marcola, OR, and Pacific Excavation of Eugene, OR. Pacific Excavation was determined to be the lowest responsible and responsive bid.

Competitive Fair Price (If less than 3 responses received)

Not Applicable

ACTION REQUESTED:

Management requests the Board approve a Contract with **Pacific Excavation, Inc.** for **construction services at the Carmen-Smith project**. Approximately \$540,000 was planned for this project in the Carmen Smith License Deployment 2019 budget of \$15M. Variances will be managed within the budget process and Board policy.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Construction Contract with **Wildish Construction, Co.** to perform the **Villard Street Water Main Replacement.**

Board Meeting Date: April 2, 2019

Project Name/Contract#: Villard Street Water Main Replacement / ITB 010-2019

Primary Contact: Rod Price Ext. 7122

Purchasing Contact: Collin Logan Ext. 7486

Contract Amount:

Original Contract Amount: \$180,000

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0 %

Amount this Request: \$180,000

Resulting Cumulative Total: \$180,000

Contracting Method:

Method of Solicitation: Formal Invitation to Bid

If applicable, basis for exemption: n/a

Term of Agreement: One Time Purchase (Construction)

Option to Renew? No

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

Bids Received (Range): 3 (\$179,620 - \$210,670)

Selection Basis: Lowest Responsible and Responsive Bidder

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB proactively addresses the aging water distribution system by annually replacing failing and/or inadequate water pipelines. The goal of this program is to reduce risks associated with water main breaks and increase the reliability and performance of the overall distribution system. In accordance with recommendations in the Water Master Plan, a risk model is used to prioritize and identify pipelines for replacement. In addition, new pipelines are installed to current standards using materials and methods to improve the resiliency to pipeline damage during an earthquake. Staff actively collaborate with the City of Eugene to replace high risk water mains ahead of the City's planned paving jobs when feasible. By partnering with the City, EWEB is able to minimize its costs for surface restoration while reducing the negative, project-related impacts to the community.

Contracted Goods or Services

This project will replace approximately 1,000 lineal feet of existing corroded 6-inch ductile iron pipe with new 8-inch diameter, PVC Waterline. Due to highly corrosive soils, non-standard materials are being used to resist damage from corrosion. The project will also include installing (8) 1-inch service lines. The new pipeline, services, and hydrants are expected to support more reliable and improved fire-fighting capability in this area.

Prior Contract Activities

Recent Projects with Contractor

Contract No.	Description	Board Approval Date	Dates (from Notice to Proceed to Close of Work Order)	Original Contract Amount	Final or Current Contract Amount
008-2014	College Hill Connector Main	05/06/2014	05/07/14 – 8/30/14	\$ 259,000	\$ 273,653.82
052-2016	Leaburg Canal Embankment Improvements	01/10/2017	01/19/17 – 05/30/17	\$ 99,657	\$ 103,976.34
057-2014	7 th Avenue Water Main Replacement	12/02/2014	04/07/15 – 01/15/16	\$ 147,000	\$ 137,123

Purchasing Process

Staff issued a formal Invitation to Bid in February 2019. Staff received three bids, and the lowest responsive and responsible bid is from Wildish Construction, Co. of Eugene, Oregon. Two additional bids were received from H&J Construction and Pacific Excavation, Inc. both of Eugene, OR. If approved, Wildish Construction, Co. will provide construction services as specified in the solicitation documents.

ACTION REQUESTED:

Management requests the Board approve a Construction Contract with **Wildish Construction, Co.** for **Villard Street Water Main Replacement**. Approximately \$2.5M was planned for these goods or services (main replacements/improvements) in the Water Capital 2019 budget of \$15M. Variances will be managed within the budget process and Board policy.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve an Intergovernmental Agreement (IGA) with Bonneville Power Administration (BPA) for Transmission Operator (TOP) Services.

Board Meeting Date: 4/2/2019

Project Name/Contract #: Transmission Operator Services

Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$1,900,000
Additional \$ Previously Approved: \$0
Invoices over last approval: \$0
Percentage over last approval: 0%
Amount this Request: \$1,900,000 over five years
Resulting Cumulative Total: \$1,900,000

Contracting Method:

Method of Solicitation: Direct Negotiation, Intergovernmental Agreement

If applicable, basis for exemption: Exemption Rule 6-0110(1)(a)

Term of Agreement: **Five Years**

Option to Renew? No

Approval for purchases "as needed" for the life of the Contract Yes No

Proposals/Bids Received (Range): N/A, Direct Negotiation

Selection Basis: Direct negotiation, Intergovernmental Agreement

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB is registered as a Transmission Operator (TOP) in the WECC/NERC compliance program. The intent of this registration is to ensure that bulk electric providers operate a reliable transmission system for the entire western region. Balancing Authorities, like BPA and Pacific Corp, are key players in the western power system, however EWEB has little to no electrical effect to the western region outside of our own customers. By technicality, EWEB is required to register and support the TOP requirements, we have approximately five FTE dispersed through the Electric Operations and Information Service divisions maintaining our TOP requirements. BPA has a fully dedicated NERC compliance and operations staff and has offered to provide TOP services to companies such as EWEB on a cost basis. We will be the 13th utility to accept BPA TOP services. We expect a yearly savings from reduced internal staff work, eliminated contracts with Peak Services, and reduced WECC audit costs. Staff FTE savings will be approximately \$400,000/year, Peak Services contract savings \$180,000/year, and our audit costs will reduce from \$500,000 every three years to \$100,000 every six years, totaling \$3,400,000. Total 5 year savings is approximately \$2,000,000.

Contracted Goods or Services

All services associated with the Transmission Operator requirements for NERC and WECC on EWEB's behalf. This includes monitoring of our Bulk Electric System equipment, real time and forward power system modeling, and all WECC reporting and audit requirements.

Prior Contract Activities

Initially we contracted with BPA in December of 2018 for \$145,000 to provide time and materials cost for BPA to incorporate our SCADA system into their Dispatch system and for various compliance efforts with WECC that they would need to accomplish to get ready to take over our TOP requirements. This contract will be complete upon transference of TOP to BPA on May 1, 2019. All work has been of high quality and met all schedule requirements.

Purchasing Process

EWEB has negotiated an Agreement with BPA for TOP services. Terms of the Agreement include termination with 90 days notice, specific billing and payment processes, liability, and responsibilities of the parties.

Bidder/Proposer Information

N/A

Bidder/Proposer Location

N/A

Competitive Fair Price (If less than 3 responses received)

Staff completed a cost analysis and determined that the services provided by BPA will result in an overall savings.

ACTION REQUESTED:

Management requests the Board approve an Intergovernmental Agreement with Bonneville Power Administration for Transmission Operator Service. Funds for these services were not budgeted for in 2019, but will be budgeted for in future years. The total division budget for 2019 is \$22.7 million. Variances will be managed within the budget process and Board policy.

**RESOLUTION NO. 1910
APRIL 2019**

**EUGENE WATER & ELECTRIC BOARD
APPOINTMENT OF BOARD LIAISON TO
THE CITY OF EUGENE FOR CLIMATE RELATED MATTERS**

WHEREAS, Board Policy GP12 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, 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 via resolution.

WHEREAS, the Board met with the Eugene City Council in Joint Work Session on February 11, 2019 to discuss climate and energy matters.

WHEREAS, it is the Board's desire to partner with the City of Eugene to execute our role in decarbonization; in particular energy efficiency, electric and water conservation, low-carbon electricity, and smart electrification.

WHEREAS, the Board discussed the creation of a new liaison assignment to collaborate with the City of Eugene on climate related matters and act as a conduit of information to the EWEB Board.

NOW, THEREFORE, BE IT RESOLVED that the Eugene Water & Electric Board creates a liaison assignment to the City of Eugene for climate related matters. Furthermore Commissioner Mindy Schlossberg is designated as the appointee, and in that capacity will provide the Board periodic reports on discussions with the City of Eugene. The term of assignment is ongoing, the term of appointment is annual.

Changes to this assignment may be made at the direction of the Board.

Dated this 2nd day of April 2019

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 April 2, 2019 Regular Board Meeting.

Assistant Secretary