

EUGENE WATER & ELECTRIC BOARD  
REGULAR SESSION  
EWEB BOARD ROOM  
APRIL 7, 2015- AMENDED  
5:30 P.M.

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

Others Present: Roger Gray, Erin Erben, Adam Rue, Lena Kostopulos, Mark Freeman, Sue Fahey, Cathy Bloom, Deborah Hart, Joe Harwood, Roger Kline, Jeannine Parisi, Mike McCann, Brad Taylor, Todd Simmons, Dave Churchman, Edward Yan, Frank Lawson, Harvey Hall, Cathy Gray, Will Price, Sarah Gorsegner, and Taryn Johnson of the EWEB staff; Vicki Maxon, Recorder.

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

**AGENDA CHECK**

There were no items.

**CEREMONIAL RECOGNITION: “NATIONAL RISE TO THE FUTURE – WATERSHED RESOURCES AWARDS,” USDA FOREST SERVICE, FOR PUBLIC AWARENESS**

President Mital introduced Terry Baker, District Ranger, McKenzie River Ranger District, U.S. Forest Service. Mr. Baker announced that Karl Morgenstern, Environmental Supervisor and EWEB had been nominated for and received a regional award from the Forest Service for aquatic and water quality, which was then submitted to the national office in Washington, D.C., and subsequently received a national award. Mr. Baker thanked the Board, EWEB staff and Mr. Morgenstern for their excellent work and coordination with the Forest Service, and added that Mr. Morgenstern has the option to travel to Washington, D.C. to receive the national award in person. Mr. Baker also recognized Nancy Toth, Environmental Specialist I and stated that she and Mr. Morgenstern are a joy to work with and that he is grateful for all their work.

President Mital noted that this is the second award Mr. Morgenstern has received this month. Steve Newcomb, Environmental Manager, stated that Mr. Morgenstern has also received a source protection award from the American Waterworks Association (AWWA) for forward thinking relating to water resources, which will be presented later in the year at the AWWA conference. Mr. Newcomb added that everywhere he goes, people know Mr. Morgenstern and appreciate his decade of service to EWEB.

Mr. Morgenstern thanked the Board and EWEB staff.

President Mital also announced that EWEB's Fleet Services group had once again received an award from the Clean Fleet Coalition.

## **AGENDA CHECK**

There were no items.

## **ITEMS FROM BOARD MEMBERS**

Commissioner Helgeson stated that he sat in on a meeting with solar interest groups and that staff did a great job of explaining solar program and incentives and their context relative to EWEB's surplus position and budget constraints. He noted that the cost of solar has come down considerably over the last five years but that it is still relatively high-cost, in his opinion, at 10-15 cents/KWhr. He added that these groups are concerned about the potential reduction in State and Federal subsidies for solar installations and probably will be advocating regarding some of the bills that Jason Heuser, Legislative Liaison, is following.

Commissioner Manning thanked Mr. Heuser and the Board for the recent day spent in Salem at the legislature, and commented that he believes the Board got the legislature's attention regarding bills that will affect ratepayers and EWEB as a whole.

He then stated that he spoke to a Junction City elementary school 4<sup>th</sup> grade class on March 17 regarding energy and water conservation. He encouraged his fellow Commissioners to take the time to go to a school to speak to students whenever possible.

Commissioner Simpson thanked the Water Operations Department for their rapid response to the poorly patched roadwork related to the EmX project.

He then referred to a recent Los Angeles Times article about California having only eight years of water remaining. He voiced concern that this could cause a population shift from California to Oregon and he wants to make sure that staff is sensitive to that.

He then noted that he will be traveling to Washington, D.C. with the Northwest Public Power Association (NWPPA) team to lobby Oregon delegation.

Commissioner Brown thanked EWEB's landscape crew for planting the new grass at headquarters and EWEB's facilities staff for the headquarters lobby remodel. He also greatly appreciated the EWEB crews who recently worked graveyard shift in the pouring rain on the downtown project.

He again thanked Mr. Morgenstern for his long-overdue recognition and recalled his incredible job coordinating the fuel tank with the Forest Service, and hoped that Mr. Morgenstern will remain at EWEB long enough to work on the alternative water supply from the Willamette River.

He then noted that EWEB's charge for a temporary service is up 80%. He voiced displeasure with these increases and said he hopes that doesn't happen again.

He noted that a lot of work is currently going into EWEB's Headquarters Master Plan and that a lot of hurdles are expected in the next month, and that he spent more time on that project today than he did on his own business.

He then asked if the contract amount of \$120,000 for two years represents EWEB's cost for the Berggren Farm. Mr. Morgenstern replied that Cascade Pacific runs the farm and also a number of cooperatives, and that all operations are rolled into that amount. He also noted that Cascade Pacific matches a lot of grant money so that amount represents more than just accounting and administration.

President Mital stated that he had gone to Washington, D.C. for the APPA meeting, and that it was most useful for him to befriend the general manager of Springfield Utility Board as well as one of their Board members. He noted that he will share the details of his and the Oregon delegation's lobby efforts off-line.

He then stated that the City Club of Eugene met 2-3 weeks ago regarding cellular phone towers, and that it was reinforced that EWEB is on the right path after their shift to take a very balanced course regarding advanced metering infrastructure (AMI), and that the larger concern is now for cellular phone towers.

He also stated that Environment Oregon had met the same day regarding largely the same solar issues that Commissioner Helgeson had mentioned--ways to reduce the cost of residential rooftop solar in Eugene, and the desire for EWEB to remove the mandate of a manual disconnect switch.

## **PUBLIC INPUT**

**Webb Sussman** (Ward 1) directed the first item of his testimony to EWEB's Information Technology department, and wondered why Board agendas and meetings aren't a calendar event which is subscribable on EWEB's website. He noted that Bike Commission and other agendas/meetings are there, and that the City Council is working on getting theirs subscribable.

Mr. Sussman also commented that Nest and Honeywell produce intelligent thermostats that allow fairly effective management of energy use, including via a smart phone. He explained that he can turn down his home thermostat from his smart phone, and that both companies offer programs that incorporate utility rate structures into energy use in the home in order to alert the time of day that a surcharge occurs, in order for a thermostat to be turned down, or an alert that notifies the most inexpensive part of the day to heat a home. He wondered why EWEB hasn't taken advantage of these thermostats and programs.

**Tim Whiteley** (Wards 1 and 8) is the coordinator of EWEB's education grant for the Eugene, Springfield and Bethel School Districts. He thanked the Board for supporting education in schools, showed them a small turbine that generates electricity, an example of a project that

was funded by the remainder of a Green Power grant last year, and mentioned several other projects that students have constructed. He invited the Board to once again attend the Solar Challenge on Saturday, May 30, and told them there would be special spots reserved for Roger Gray, General Manager, at the scoreboard and one for Commissioner Manning at the finish line.

Former EWEB Commissioner **Bob Cassidy** complimented the winter edition of Pipeline (EWEB's customer tabloid) which pointed out tax credits that customers can receive, but said that placing that article in the winter edition is a bit late for customers who have already done their taxes. He noted that \$20 million comes in to Lane County because of the EITC (Earned-Income Tax Credit) tax credit. He also wondered why Board meetings have not been published in the Register-Guard meeting calendar.

**Paul Dart, M.D.** commended staff for reducing AMI data upload intervals from every 3-1/2 days to once a month without increasing transmission from towers, as this is a big deal for the community and any other utilities, and is very progressive. He asked that when hardware is tested, flexibility be built in to track and assess the data and adjust the upload frequency to match it. He used the example of looking at usage every evening and uploading four times a day from the meter; with three out of those four being excessive. He saluted what EWEB has adjusted so far.

Commissioner Helgeson thanked everyone for attending. He commented that Mr. Sussman's calendar suggestion sounds like a logical extension of public outreach. He said he doesn't know how the thermostats Mr. Sussman mentioned fit into EWEB's programs but he believes that ultimately, the market will provide those technologies and that there is some advantage to gaining experience with those that are available. Regarding Mr. Cassidy's comment, he stated that Board meeting dates are always sent to the Register-Guard but the Register-Guard staff doesn't publish them. He thanked Dr. Dart for his suggestions for minimizing telemetry and said it is very helpful to let the Board know what they can do to minimize those concerns.

Commissioner Manning thanked everyone for their testimony and said he enjoys their feedback about how EWEB is run. He appreciated Dr. Dart's comments, as the Board has the desire to make the AMI technology not only efficient but as safe as possible, and provide more efficient service with minimal to no side effects. He asked Dr. Dart to continue to provide feedback. He added that he is looking forward to the Solar Challenge.

Vice President Simpson thanked everyone for their testimony. He told Mr. Sussman that calendar subscription on the website is a great idea and that he will do his best to champion that. Regarding demand management at the residential level, he explained that the standard specification is called OpenADR. He invited Mr. Sussman to stay for tonight's agenda item #8 (the Integrated Electric Resource Plan update) and informed him of the R&D pilot program semi-annual summary that is on EWEB's website which answers questions about how EWEB is experiencing more return on investment by accentuating commercial and business demand response rather than residential. He noted that California is very mature in the development of

automated demand response (ADR) with many service providers. Regarding AMI, he noted that as program and time of use programs roll out, the pilot study will inform regarding the viability for shifting power to off peak.

He also commented that he owes Mr. Whiteley a timer system and thanked Dr. Dart for his feedback.

President Mital noted that in tonight's public testimony he had heard the words compliment, commend and appreciate, and that those words are tough to beat. He especially appreciated Dr. Dart's feedback.

Commissioner Brown thanked Mr. Sussman for the calendar and thermostat information, commended Mr. Whiteley for the Solar Challenge, and told Mr. Cassidy that pressure will be put on the Register-Guard to publish Board meeting dates. He then commended Dr. Dart for his positive comments, as in his experience, it is rare for someone in an adversarial position to reverse their position and then attend a meeting to thank the Board.

## **APPROVAL OF CONSENT CALENDAR**

### **MINUTES**

1. a. February 17, 2015 Executive Session
- b. February 17, 2015 Regular Session
- c. March 3, 2015 Executive Session
- d. March 3, 2015 Regular Session

### **CONTRACTS**

2. AAC Utility Partners, LLC - for Customer Information System (CIS) Consulting Services. \$262,000 (total \$274,000). Customer Service. Contact Person is Mark Freeman.
3. Ausland Group - for construction services to upgrade Headquarters HVAC system. \$684,800. Facilities Maintenance Services. Contact Person is Todd Simmons.
4. CLEAResult Consulting, Inc. - for EWEB's Residential LED Retail Buy-Down Program. \$770,000 (forecast for two years; total \$896,000 estimated over three years). Energy Management Services. Contact Person is Mark Freeman.
5. Pacific Excavation, Inc. - for the Avalon, Juhl and Cascade Water Main Replacement. \$395,000. Engineering Services. Contact Person is Mel Damewood.
6. Schnitzer Steel - for the sale of EWEB's copper scrap metal. \$200,000. Distribution Reliability. Contact Person is Todd Simmons.

## RESOLUTIONS

7. Resolution No. 1506 - Harvest Wind Bank Note Pay off, Contact Person is Cathy Bloom.

8. Resolution No. 1509 - Updated Temporary Electric Service Charges, Contact Person is Mel Damewood.

President Mital pulled item #8. Commissioner Helgeson pulled item #3. It was moved by Vice President Simpson, seconded by Commissioner Brown, to approve the remainder of the Consent Calendar. The motion passed unanimously (5-0).

Regarding item #3, Commissioner Helgeson stated that Board and staff have struggled mightily with the HVAC system over the life of the headquarters building, and it seems that within the last decade even emergency appropriations have been made in order to do some work on it. He voiced concern that still more work may need to be done and, if there's something wrong that can't be cured, he hopes staff is looking into that. He wondered what needs to be done now, and noted that major components are seeming to require replacement at an unusual frequency.

Todd Simmons, Facilities Services Manager, replied that he shares Commissioner Helgeson's frustration. He explained that the major conversion was from steam to natural gas heat, and that there were problems with how things were originally built, but that staff believes this upgrade will take advantage of the original design in a way to maximize the ability to control conditions. He added that he sincerely believes this is the last time that staff will come to the Board for approval for an upgrade on the headquarters HVAC system.

Vice President Simpson asked if this work will be funded through the 2015 budget and whether or not this was a surprise. Mr. Simmons replied that this was not a surprise, that this work will be funded out of the five-year Facilities Services budget, and that this budget also includes new roofs, sealing asphalt at the Roosevelt Operations Center (ROC), and a few other projects.

It was then moved by Vice President Simpson, seconded by Commissioner Helgeson, to approve item #3. The motion passed unanimously (5-0).

President Mital asked Mark Oberle, Electric Distribution Engineering Supervisor, to come forward to address Board questions about item #8. He then told Mr. Oberle that there was actually no problem with this resolution, and that instead the Board wished to congratulate him on his pending retirement. President Mital then read a statement (prepared by Mr. Oberle's supervisor, Mel Damewood, Engineering Manager).

President Mital congratulated Mark on over 31.5 years of service in a lot of various positions here at EWEB.

Commissioner Brown commented that he worked with Mr. Oberle for many years on many assignments, and thanked him for his great representation of EWEB and for being a great employee.

Commissioner Helgeson commented that he also worked directly with Mr. Oberle for many years at EWEB, and that the challenges and complexity were what kept him motivated, but it was the people like Mark who made the difference and kept him coming back to work.

Commissioner Simpson recalled when Mr. Oberle took him on a 2004 walking tour of the EWEB property (before the ROC was built) and pointed out its “warts.” He told Mr. Oberle that it was a distinct pleasure and honor to work with him, and wished him the best of luck.

Though Commissioner Manning has the least amount of experience working with Mr. Oberle, he thanked him, and said it sounded like he has left EWEB in a much better state than it was in when he was first employed.

It was then moved by President Mital, seconded by Commissioner Manning, to approve item #8. The vote was 4-1 (with Vice President Simpson voting no).

## **ANNUAL GENERAL MANAGER PERFORMANCE EVALUATION FOR YEAR 2014 AND COMPENSATION**

Lena Kostupolos, Human Resources Manager, recalled that General Manager Gray’s performance evaluation from the Board was, in general, excellent, and that he had received an overall rating of highly skilled/experienced. She noted that the Board did express that General Manager Gray’s job fulfills a big role and that his knowledge and capabilities are constantly expanded, even just in a regular eight-hour work day. She then asked for comments from the Board.

Commissioner Brown commented that he is the only Commissioner on the Board who has had the privilege of evaluating both General Manager Gray and his predecessor, and that he is very pleased with his leadership, and that he leads by example.

Vice President Simpson thanked General Manager Gray for making many difficult and hard decisions in this new era, with budgets that are \$50 million less than they used to be being just one example. He also thanked him for constantly keeping Board and staff apprised of information and that he has received nothing but great feedback from the community, EWEB staff, and his fellow Commissioners.

Commissioner Manning commented that leadership is a very difficult thing at times, but that General Manager Gray’s style has stabilized EWEB, and that General Manager Gray constantly gives the credit to everyone but himself. He added that the way General Manager Gray empowers EWEB staff is nothing short of outstanding, and it has made the relationship between the two grow stronger. He asked General Manager Gray to let him know what he can

do to help continue with that relationship and with his relationship with the Board, and noted that in spite of recent personal hardships, General Manager Gray has done an outstanding job.

Commissioner Helgeson commented that he understands the challenges with EWEB's revenue situation with wholesale markets, which are unprecedented steps, and he appreciates that by and large EWEB's employees, managers and supervisors have hung in there with that because it has been culturally difficult. He added that it is his sense General Manager Gray has stayed focused on core values for EWEB's customers and the community, so by extension he appreciates all employees for being partners in that, as he knows it has been difficult at times, and he appreciates General Manager Gray carrying forward the values of the institution.

It was then moved by President Mital, seconded by Vice President Simpson, to approve the previously submitted summary of General Manager Gray's performance evaluation. Commissioner Brown added that he had reviewed the salaries of comparable general managers and had polled his fellow Commissioners, and that the Board agrees that a 2.1% wage increase for General Manager Gray is appropriate.

Commissioner Helgeson stated that he believes it is important to recognize some of the history behind this wage increase—that General Manager Gray was hired at a relatively low salary and then decided against accepting a wage increase or getting wage adjustments due to budget constraints, employee layoffs, etc. This in essence put the Board behind in regard to General Manager Gray's salary, and the Board then had to make a major adjustment a year or two ago to bring his salary to market rate and have it positioned in a similar way to market comparability. He also voiced support for a 2.1% wage increase for General Manager Gray, as it keeps the Board's commitment to keep his salary current with the market, and strikes a balance with keeping his salary current along with the financial concerns that EWEB continues to face. He also noted that a 2.1% wage increase is consistent with what was allowed for in the 2015 budget process.

Vice President Simpson commented that the Board has always wished to stay abreast of the general manager's salary and that it is the Board's role to keep the general manager's salary at a fair and comparable rate. He noted that if General Manager Gray moves on from EWEB and the Board develops another salary gap and therefore get behind the going wage rate, it will be incumbent on the Board to either bring the salary current or end up with low-quality applicants, and he doesn't believe the community would want that.

President Mital then asked for a vote on the previous motion. The vote was unanimous (5-0).

General Manager Gray appreciated the feedback and accolades from the Board, and acknowledged his leadership team, who helped get the Board and 525 other employees through the tough times. He added that the Board's constructive feedback stops with him and that he will own it and work on it.



## **INTEGRATED ELECTRIC RESOURCE PLAN (IERP) UPDATE**

Using overheads, Erin Erben, Power & Strategic Planning Manager, and Adam Rue, Rate Analyst, presented the 2011-12 IERP recommendations, 2014 activities and highlights, the annual IERP update, review of the mid-plan IERP check-in (2012-2018), and addressed next steps.

To summarize, as indicated in prior annual updates by staff, EWEB still does not need to acquire energy resources, and will continue to provide annual updates reflecting any changes in conditions. EWEB will also continue to conduct R&D pilots (next areas of focus under development) and continue to provide annual updates to the Board.

Staff then addressed questions and comments from the Board.

Commissioner Brown noted that future grow operations and the new occupant in the Hynix building will bring new load. Staff assured him that they have had conversations about these upcoming new loads.

In reply to a question about low stream flow and no snowpack this winter, staff also noted that the likelihood of a firm water year for two years in a row is close to zero, but even in a worst water year, EWEB still have plenty of surplus to meet load. General Manager Gray added that locally it is a horrible water year but other areas are about average, and that the Public Power Council (PPC) is looking at climate change, population, water supply changes, and running scenarios for that.

Commissioner Helgeson thanked staff for the clarity of their presentation. He wondered if there are times when EWEB finds themselves short on the trading floor and if there are alternatives for trading strategies such as DG (distributed generation), batteries, etc.

Ms. Erben replied that, regarding time of use differentials and the impact from the pilot staff just committed to, the learnings so far have not been lost regardless of what pricing scheme they are applied to, and are mostly internal, i.e., changing processes to do things differently, modifying the billing system to bill differently, enhanced communication, etc.

President Mital called for a 10-minute recess.

## **COST OF SERVICE ALLOCATION (COSA) AND RATEMAKING UPDATE**

Using overheads, Cathy Bloom, Finance Manager; Harvey Hall, Senior Financial Analyst and Mr. Rue gave a brief overview of the COSA, revenue requirements and ratemaking process, and addressed clarifying questions and comments from the Board.

## **CORRESPONDENCE AND BOARD AGENDAS**

General Manager Gray briefly reviewed upcoming events:

- May 3-9 EWEB Water Week (similar event to Public Power Week in October) – probable emphasis on water conservation and emergency water supply

- May 21 Board retreat
- May 30 Solar Challenge

## **BOARD WRAP-UP**

Commissioner Manning commended staff for continuing to develop their learning process and knowledge-sharing between departments, which translates to ratepayer savings and cost analysis, and for seeking ways to maximize current resources while seeking a decrease in ratepayer burden. He added that, in his opinion, staff has turned it up many notches, and that staff and General Manager Gray are a great team.

President Mital noted that he will send out a reminder to his fellow Commissioners about the Board retreat and some blank evaluation forms.

President Mital adjourned the Regular Session at 7:57 p.m.

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Assistant Secretary

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President

EUGENE WATER & ELECTRIC BOARD  
EXECUTIVE SESSION  
EWEB BOARD ROOM  
500 EAST 4TH AVENUE  
MAY 5, 2015  
4:00 P.M.

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

Commissioners Dick Helgeson was unavailable.

Others Present: General Manager Roger Gray, Teresa Dingman, Mike McCann, Mel Damewood, Cathy Bloom, Sue Fahey Sarah Gorseigner, Sarah Creighton and Taryn Johnson of EWEB staff. Telephonically joined by Tom Grim and Casey Nokes of Cable Huston.

President Mital called the Executive Session meeting of the EWEB Board of Directors to order pursuant to ORS 192.660(2)(h) at 4:00 p.m. to consultant with legal counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.

President Mital adjourned the Executive Session meeting at 4:15 p.m.

Others Present: General Manager Roger Gray, Steve Newcomb, Jeannine Parisi and Taryn Johnson of EWEB Staff.

President Mital called the Executive Session meeting of the EWEB Board of Directors to order pursuant to ORS 192.660(2)(e) at 4:15 p.m. to deliberate with persons designated by the governing body to negotiate real property transactions.

President Mital adjourned the Executive Session meeting at 5:00 p.m.

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Assistant Secretary

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President

EUGENE WATER & ELECTRIC BOARD  
REGULAR SESSION  
EWEB BOARD ROOM  
MAY 5, 2015  
5:30 P.M.

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

Others Present: Roger Gray, Mel Damewood, Todd Simmons, Mark Freeman, Deborah Hart, Dave Churchman, Erin Erben, Jeannine Parisi, Harvey Hall, Brad Taylor, Cathy Bloom, Sue Fahey, Roger Kline, Kathy Grey, Steve Newcomb, Mike McCann, Frank Lawson, Wally McCulloch, Kim Morgan, Lance Robertson, Susan Eicher, Lena Kostupolos, Anne Kah, and Taryn Johnson of the EWEB staff; Vicki Maxon, Recorder.

President Mital convened the Regular Session of the Eugene Water & Electric Board (EWEB) at 5:30 p.m., and noted that Commissioner Helgeson is on vacation.

#### **AGENDA CHECK**

There were no items.

#### **ITEMS FROM BOARD MEMBERS**

Commissioner Brown commented that he continues to be impressed with the Water Operations Department crews' hard work related to LTD's EmX construction, on graveyard shift in sometimes inclement weather.

Vice President Simpson gave kudos to the Public Affairs Department for their water quality promotion and their marketing of EWEB's alternative water source pursuit.

He then commented that he spent a week in Washington, D.C. for the Northwest Public Power Association (NWPPA) federal rally, and that his personal highlight of the trip was the compelling speech made by Michael Hayden, regarding cyber security and how it affects the utility industry. He noted that the Department of Defense now considers cyber security a fourth domain (land, sea and air space being the other three) and a new threat and "war zone." He added that preservation and municipal bond authority were also a focus on the Hill, and that Senator Wyden, a member of the Finance Committee, had told the EWEB delegation that there was nothing to worry about, including the latest efforts to potentially tax municipal bonds, which EWEB heavily relies on. Other issues that were addressed included energy policy, the Clean Power Plan, the Endangered Species Act, and U.S. waterways.

Commissioner Manning thanked his fellow Commissioners for a very informative Board retreat in which he learned quite a bit, and that the conversation regarding Board vision and their views of the future of EWEB were very well laid out.

He then stated that he took part in the April 27 EWEB riverfront property walking tour along with Commissioner Brown, City of Eugene officials and others, and looks forward to moving this project along in order to allow EWEB to get back to their main focus of providing water and electricity. He thanked Monica Shovlin, Marketing Program Supervisor for her work on the Greenpower project, and noted that he presented a large check to the Bethel School District, who is one of this year's awardees. He also thanked all EWEB employees for keeping ratepayers at the forefront of their minds.

President Mital noted that his summary of the recent Board retreat will be shared with Roger Gray, General Manager, and staff. He added that the retreat focused on Board process and feeling comfortable working together as a group, and looking at what Board priorities are and making sure those are aligned, and that it went so well that the Board has decided to make it an annual event.

He then thanked the Public Affairs Department for scheduling him for the other half of the Greenpower event giveaway, in which he traveled to the Berggren Farm to present the other big check for their Greenpower award. He noted that he hadn't been there before, and that the farm is doing some great things and provides great outreach.

## **PUBLIC INPUT**

**Webb Sussman** (Ward 1) called the Board's attention to this week's announcement from Tesla, and his concern that it should serve as a wake-up call for EWEB, not in regard to technology or emphasizing solar, per se, over various other forms of energy, but that it indicates an interest in technology industry to enter a utility's space. He opined that the impact on EWEB will be huge, as it will impact customers and EWEB itself, mostly in the way of much faster decision cycles, and that when a technology company gets inside those cycles, the technology company can react faster than the utility, and that is potentially dangerous. On the other hand, he opined that it also presents a huge opportunity, as if the utility can react positively to this entry instead of negatively, and use this as sort of a wake-up call to speed up their own decision cycles to become more aggressive in technology space, it will allow EWEB to remain relevant and react to changes that he believes are coming.

Vice President Simpson thanked Mr. Sussman for his comments and perspective, and said that he had also heard this announcement. He noted that most energy resources require integration because they're intermittent, and that solar electricity generation obviously doesn't happen at night. Because batteries are recharged at the same time as daytime consumption, they are depended on at night, and in theory one could be grid-free. He added that he sees this not as a threat to EWEB, but as an opportunity, because EWEB exists to serve the public, and if the public wishes to have that model of delivery and be self-sustaining, that would become the Board's purview and responsibility to support that. Regarding decision-making turnaround time, he noted that EWEB has been turning around quite quickly lately, and that while EWEB has its tendrils connected to their utility brethren, it has done a great job of making rapid decisions.

Commissioner Manning stated that the Board often discusses technology and technological advancement, and that they have also challenged staff to maximize new technology to the extent where it is cost-effective and also provides value to EWEB's ratepayers. He added that the Board is always looking at ways to make sure they consider what the ratepayer wants.

Commissioner Brown echoed the previous comments.

President Mital gave kudos to Erin Erben, Power Planning Manager, who has instructed the Board on some of the issues that Mr. Sussman mentioned, and on how to insure that the integrity of the business remains intact and at the same time remains neutral to different models. He added that he believes EWEB is reasonably well-positioned in this regard, but that the Board will pay attention to this.

## **CONSENT CALENDAR**

### **MINUTES**

- 1a. April 7, 2015 Executive Session
- 1b. April 7, 2015 Regular Session

### **RESOLUTIONS**

- 2. Resolution No. 1510 - Appointment of Board Treasurer, Contact Person is Roger Gray.

Vice President Simpson pulled item 1b. It was moved by Commissioner Brown, seconded by Vice President Simpson, to approve the remainder of the Consent Calendar. The motion passed unanimously (4-0).

## **ITEMS REMOVED FROM CONSENT CALENDAR**

It was moved by Vice President Simpson, seconded by Commissioner Brown, to defer approval of the April 7, 2015 Regular Session minutes until the June Board meeting. The motion passed unanimously (4-0).

## **ELECTRIC AND WATER CAPITAL TRUE-UP AND BUDGET AMENDMENTS**

Mel Damewood, Engineering Manager, briefly summarized budget amendment #1 to the 2015 water utility capital budget and budget amendment #2 to the 2015 electric utility capital budget, and addressed clarifying questions and comments from the Board.

It was moved by Vice President Simpson, seconded by Commissioner Brown, to approve budget amendments #1 and #2. The motion passed unanimously (4-0).

Commissioner Brown noted that work on the downtown electric network has been delayed partially because of the LTD EmX project, and asked when that work might be completed (including the installation of solar panels).

Mr. Damewood replied that staff is currently in discussions with the manufacturer and that they are close to making a choice to do a beta test, but that staff needs to decide whether or not EWEB wants to be the “guinea pig.” He noted that primary cable is currently being replaced and that it will be up to the O&M crews to do preventive maintenance on the network. He also stated that he feels confident about what EWEB has already done but that he believes it may be another year or two before that technology will be realized.

President Mital noted that the Board hasn’t seen the previous project tracking/reporting process lately. Mr. Damewood replied that because of a change in EWEB’s financial systems, staff was recently able to again visualize those projects, and that the Board will see year end 2014 and first quarter 2015 reports in June.

### **KNIGHT CONSTRUCTION – LEABURG DAM ROLLGATE #3**

Mr. Damewood briefly summarized two contract amendments, one of which was already initiated due to the emergency declaration in December, as well as one for the rollgate #3 replacement motor.

It was moved by Commissioner Brown, seconded by Commissioner Manning, to approve the above contract amendments.

Commissioner Brown commended staff for how they have very successfully handled the intermittent shutdowns of the rollgates and intermittent closure of the access road with nearby residents. He asked them not to change the process from what they did last time because they did an excellent job of “keeping the peace.”

### **RIVERFRONT PROPERTY UPDATE**

Steve Newcomb, Environmental and Property Manager, and Jeannine Parisi, Community & Local Government Outreach Coordinator, presented the above update.

In summary, most of the significant milestones are on track, such as due diligence and property appraisal, and there is also positive progress in quantifying the City’s role in redevelopment as well as momentum on the new park and railroad quiet zone. The development team has invested heavily in site investigations and continues to actively seek potential uses to refine a viable development program.

Staff recommended Board approval of the Exclusive Negotiation Agreement (ENA) extension.

It was moved by Vice President Simpson, seconded by Commissioner Manning, to delay ENA approval for 60 days.

Commissioner Brown stated that he will not vote in support of this extension unless there is a 30-day check-in, as if progress is not being made, the process needs to be stopped. He wondered if the ENA needs to be amended to reflect this, as he wants the record to show that there will be a 30-day check-in.

General Manager Gray stated that he believes a 30-day check-in would be covered in the ENA, with possibly minor language modifications.

President Mital supported Commissioner Brown's comments, and added that it makes sense to delay any decision that provides additional time for the negotiations to proceed until such time that the City Council has a component. He added that it needs to be made clear to the University of Oregon Foundation that any delay hurts EWEB and also hurts the City in general, and that the Foundation needs to be clear about how sincere they are regarding this negotiation and the vision that the Board has voiced support for.

General Manager Gray agreed, stating that language will be added to the ENA, and that this issue will be readdressed at the June Board meeting, which gives staff latitude to develop specific language.

Commissioner Brown noted that he is okay with the language, but is concerned that EWEB is burning \$500 per day on interest. He agreed that the delay gives the Board latitude to ask General Manager Gray to adopt the revised language.

General Manager Gray noted that if the Board approves this general direction, he can only sign an agreement consistent with that general direction (i.e., a 30-day check-in), with continuation to Board affirmation at the June Board meeting, with the intent to go the full 60 days.

Commissioner Simpson amended his motion, to modify the ENA consistent with the Board's direction for a 60-day extension with a 30-day check in (i.e., at the June Board meeting).

It was moved by Commissioner Brown, seconded by Commissioner Manning, to approve the amended motion. The vote was unanimous (4-0).

## **2014 YEAR-END AUDITED FINANCIALS AND MANAGEMENT LETTER**

With the aid of overheads, Julie Desimone of Moss Adams summarized their auditor's report, Board communications and internal control communications, and answered clarifying questions and comments from the Board. Ms. Desimone noted that the financial statements are designed differently this year, and briefly summarized the changes.

After a brief discussion regarding the new work asset management (WAM) system and some concerns raised by the audit, General Manager Gray noted that WAM has been partially successful but staff has yet to discover its full benefits.

President Mital asked for a six-month check-in regarding the concerns about the WAM system, and received three head nods from his fellow Commissioners to set aside agenda time for this.



Commissioner Brown asked how the Board will conduct a six-month check-in on that decision. General Manager Gray replied that there has been no negative impact on the budget because of the WAM issues, and that staff needs to clarify what is being supported internally vs. externally. He added that staff is not prepared to add support in-house.

President Mital asked Ms. Desimone if there are items in the audit that the Board could better address. Ms. Desimone replied that she will get back to the Board with an answer.

Ms. Desimone then thanked Ms. Bloom (who is retiring at the end of May) for her years of service to EWEB and to Moss Adams.

Commissioner Brown told Ms. Bloom that he has relied on her since the beginning of his tenure and that she instilled his trust early on. He added that she has done a great job for both EWEB and the community and that she will be missed.

Vice President Simpson told Ms. Bloom that their relationship goes way back and that she helped EWEB through financial crisis and hung in there during the tough times, and that her open door policy for the Board has always been evident, though never needed. He thanked her for her great attitude and her help with interpreting and answering questions, and wished her good luck.

Commissioner Manning thanked Moss Adams and also appreciated Ms. Bloom for her advice and counsel to him alone and the Board as a whole. He added that he has had nothing but confidence in her and that it is obvious she cares about her job and has integrity. He wished her the best.

President Mital recalled the recent bond rating upgrade to A++ for the water utility and the recent PERS announcement that was not bad news for EWEB because of Ms. Bloom's approach, as examples of how she has helped EWEB stay where they should be financially. He thanked her for everything she has done.

General Manager Gray told Ms. Bloom that her financial and technical skills are her major asset but that it is her character, judgment and integrity that he has valued the most, and that she will be missed.

Ms. Bloom stated that she has been very fortunate to work at EWEB for so long and that she has great people coming forward after she leaves, and she thanked the Board for everything.

## **WATER SYSTEM DEVELOPMENT CHARGES (SDC) UPDATE PROCESS**

With the aid of overheads, Sue Fahey, Fiscal Services Supervisor, and Deborah Hart, Senior Financial Analyst, presented the statutory framework, a methodology overview, a summary of EWEB's SDCs, and the preliminary work plan and next steps. They then addressed clarifying questions and comments from the Board.

Commissioner Brown voiced concern about how the new charges would be rationed out for new customers coming on to the system. Ms. Hart replied that staff will discuss the proposal with stakeholders, and Ms. Fahey added that their reaction to the proposal will be relayed to the Board as part of staff's future presentations.

### **PRINT MESSAGES ON EWEB BILLS, BILL REDESIGN COMPONENTS AND CUSTOMER INFORMATION SYSTEM (CIS) REPLACEMENT**

With the aid of overheads, Mark Freeman, Energy Management and Customer Service Manager; Lance Robertson, Public Affairs Manager, and Todd Wallace, Senior Project Manager, presented the above information.

Mr. Robertson thanked Rachel Chilton, Communications Specialist II, for her assistance with the project.

Staff reviewed the goals of the bill redesign, work done to date, the project timeline, the goal and phases of the CIS replacement project, and next steps for the project.

Mr. Freeman noted that the current billing contractor, KUBRA, will re-design the bill at no charge, which is normally an approximate \$10,000 cost.

Vice President Simpson stated that he is pleased with the peak/off peak graphic that is included in bills.

President Mital wondered about the ability to show solar usage and possibly time of use (TOU) information on future bills. Mr. Freeman replied that net metering information is currently shown on bills and that TOU will be more easily shown after the new CIS is up and running.

Commissioner Brown asked what the budget impact will be for this project. Mr. Freeman replied that it will be handled internally and reiterated that KUBRA is re-designing the bill at no charge.

Regarding the new CIS, Mr. Wallace addressed technical questions about what features are out of the box and which have to be customized, the appearance of the data base, ease of interface with customers, etc.

President Mital voiced concern about the bill redesign occurring ahead of the CIS replacement. Mr. Robertson replied that most of the redesign can be done ahead of the CIS replacement, i.e., the printed bill vs. on-line bill pull-downs, etc.

Commissioner Brown asked staff to be sure that the redesign makes it very obvious that City charges are separate from EWEB charges in whatever way possible, i.e., have the City charges appear as a different color, etc.

Vice President Simpson asked about conversion from a batch system (nightly download) vs. a real time system. Mr. Wallace clarified that the outage notification feature will require a real time system.

Commissioner Manning echoed Commissioner Brown's request to make it obvious that City charges are separate from EWEB charges. He also asked if an EWEB app will be available at some point.

Regarding the possibility of an app, Mr. Freeman replied that staff considered a mobile web page vs. an app previously, and that a mobile web page was preferred as they are more permanent, whereas apps can come and go, but that staff will take another look at an app. He added that staff hopes to integrate bill presentation and connect/disconnect services into the same mobile page instead of on separate pages like they are currently.

General Manager Gray added that the new CIS and the future advanced metering infrastructure (AMI) will provide many options to address Commissioner Manning's question about an app, but that planning takes approximately one year along with 18-24 months for implementation.

## **2015 ORGANIZATIONAL PERFORMANCE, Q1 RESULTS: KEY PERFORMANCE INDICATORS (KPI)**

General Manager Gray highlighted the areas of concern that are currently being addressed. He noted that electric sales to date are way below forecast because of the warm weather, which is a negative contribution to the results. He added that there is obviously no way to reverse that and that until the rate design is completely adjusted, there is no way to insulate against that, but that results were better than expected for the year 2014.

He then briefly clarified how trends change, how indicators are changed from yellow to green, and how those changes appear on the worksheet.

## **CORRESPONDENCE AND BOARD AGENDAS**

General Manager Gray highlighted the following:

- May 30 Solar Challenge (General Manager Gray will be out of town on business)
- July 2 Board meeting canceled  
(It was moved by Vice President Simpson, seconded by Commissioner Manning, to reschedule this meeting for July 21)
- Upriver September 1 Board meeting avoids Labor Day holiday the following week

**BOARD WRAP-UP**

Vice President Simpson commented that the bill redesign/CIS presentation is very encouraging and that he wishes to remain focused on strategic issues and customer experience, as he had identified this as a high priority at the recent Board retreat.

Commissioner Manning appreciated the honesty and deliver of tonight's staff presentations and public comment.

President Mital noted that he will send out a summary of the recent Board retreat soon. He then adjourned the Regular Session at 7:47 p.m.

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Assistant Secretary

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President

## EWEB Board Consent Calendar Request

*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve multiple new contracts with **certified contractors** for **residential backflow testing services**.

Board Meeting Date: June 2, 2015  
Project Name/Contract#: Residential Backflow Testing Svcs/Contract #015-2015  
Primary Contact: Brad Taylor Ext. 7385  
Purchasing Contact: Tracy Davis Ext. 7468

### Contract Amount:

Original Contract Amount: \$475,000 over 5 years (estimate)  
Additional \$ Previously Approved: \$ N/A  
Invoices over last approval: \$ N/A  
Percentage over last approval: 0%  
Amount this Request: \$475,000

**Resulting Cumulative Total:** **\$475,000 over 5 years (estimate)**

### Contracting Method:

Method of Solicitation: Request for Qualifications (RFQ)  
If applicable, basis for exemption: N/A  
Term of Agreement: June 5, 2015 through June 4, 2017  
Option to Renew? Yes – 3 additional years, not to exceed 5  
Approval for purchases “as needed” for the life of the contract Yes

### Action Requested:

☒ Contract Award  
☐ Contract Renewal  
☐ Contract Increase  
☐ Other

### Funding Source:

☒ Budget  
☐ Reserves  
☐ New Revenue  
☐ Bonding  
☐ Other

### Form of Contract:

☐ Single Purchase  
☒ Services  
☐ Personal Services  
☐ Construction  
☐ IGA  
☐ Price Agreement  
☐ Other

### NARRATIVE:

The Board is being asked to approve multiple new contracts with **certified contractors** for **residential backflow testing services**: **Aaction Backflow; A & A Backflow Testing; A & K Landscaping LLC; Dutchman Backflow; Emerald Valley Backflow; Harvey & Price; Heath Backflow; Jamie’s Backflow Services; Oregon Backflow; Right-Way Plumbing & Backflow Service; Terra Nova Landscape; The Good Son LLC; and Water Flow Specialties.**

The Oregon Human Services Administration, by law, requires Water Purveyors (EWEB) to annually assure that customer backflow devices are operating properly (OAR 333-061-0070). EWEB meets this legal compliance through the use of certified Backflow Assembly Testers. EWEB offers this service to simplify the customer's obligation to test their backflow device annually. A customer may request EWEB to coordinate with a certified contractor for the annual testing of their device. EWEB will then work with a certified contractor to inspect and test the device, pay the contractor for the work, and bill the customer the actual cost. Alternatively, the customer has the option of obtaining the service directly and EWEB will continue to monitor and follow-up with the customer to ensure the annual testing is done.

In April 2015, EWEB requested qualifications for the residential backflow testing services program. Fourteen proposals were received and thirteen Contractors met the minimum required qualifications. The contracts outline EWEB's contractual terms, the program requirements, and the compensation that will be paid to the testers for the backflow testing services performed under the contract.

If approved, staff anticipates services will not exceed \$475,000 over the five-year contract period. However, the exact number of customers who will request this service is unknown and may vary. While staff has tried to estimate the potential need from historical data, the Board's approval would be based on services “as needed” and not on any specific, fixed annual dollar amount.

### ACTION REQUESTED:

Management requests the Board approve multiple new contracts with **certified contractors** for **residential backflow testing services**. Funds and reimbursements for these services were budgeted for 2015 and will be budgeted annually.

**SIGNATURES:**

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

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

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

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

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

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

## EWEB Board Consent Calendar Request

*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve a Master Services Agreement with **Ernst & Young LLP** for **Work and Asset Management System (WAM) support services**.

Board Meeting Date: June 2, 2015

Project Name/Contract#: WAM Support Services, EWEB Contract 2427

Primary Contact: Erin Erben Ext. 7615

Purchasing Contact: Quentin Furrow Ext. 7380

### Contract Amount:

Original Contract Amount: \$300,000 (Estimated)

Additional \$ Previously Approved: \$                     

Invoices over last approval: \$                     

Percentage over last approval:                      %

Amount this Request: \$300,000

**Resulting Cumulative Total:** \$300,000

### Contracting Method:

Method of Solicitation: Sole Source Exemption

If applicable, basis for exemption: Rule 3-0275

Term of Agreement: June 2015 – December 2015

Option to Renew? No

Approval for purchases “as needed” for the life of the contract No

Narrative:

The Board is being asked to approve a Master Services Agreement with **Ernst & Young LLP** for **Work and Asset Management System (WAM) support services**.

EWEB recently launched its new Work and Asset Management System (WAM) resulting in many changes to how EWEB conducts its work. The WAM system was implemented in response to prior financial audit deficiencies that directed EWEB to improve its management of assets and inventory, aligning them with required financial and regulatory standards. EWEB requires continued support for WAM post Go-Live issues that EWEB is experiencing from its change to the new asset management system and processes. This support was anticipated but was not included as part of the initial WAM Software and Support Services contract. Required support includes technical and process stabilization to increase efficiency and effectiveness, as well as emergent software performance issues.

EWEB conducted a competitive process to select a WAM system integrator. Five Point Systems, now Ernst & Young (EY), was selected to be the consultant and implementer on the project. The consultant has worked with EWEB since 2013 to support implementation, including design, configuration, testing, and deployment of WAM. EY has direct and valuable knowledge of EWEB's WAM Reports, interfaces, configurations, and extensions as they have been in a key technical and functional developmental role for EWEB, knowledge of these systems is critical as we stabilize the WAM system.

If approved, Staff will enter into a negotiated Master Services Agreement (MSA) with EY that will govern the continued support for WAM post Go-Live. The intent of this form of agreement is to issue specific task orders for required services as they are identified and to approve each as an individual Statement of Work (SOW), starting with SOW#1. Additional services beyond SOW#1, if required, will be presented to the Board for approval.

### ACTION REQUESTED:

Management requests the Board approve a Master Services Agreement with **Ernst & Young LLP** for **Work and Asset Management System (WAM) support services**. Funds for these services have been budgeted for 2015.

### Action Requested:

☒ Contract Award  
☐ Contract Renewal  
☐ Contract Increase  
☐ Other

### Funding Source:

☒ Budget  
☐ Reserves  
☐ New Revenue  
☐ Bonding  
☐ Other

### Form of Contract:

☐ Single Purchase  
☐ Services  
☒ Personal Services  
☐ Construction  
☐ IGA  
☐ Price Agreement  
☒ Other (MSA)

**SIGNATURES:**

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

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

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

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

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

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



## EWEB Board Consent Calendar Request

*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve a new price agreement with **JCI Jones Chemicals, Inc.** for water treatment chemicals (liquid chlorine) to be used at the Hayden Bridge Filtration Plant.

Board Meeting Date: June 2, 2015

Project Name/Contract#: Liquid Chlorine for HB / #1018-2015

Primary Contact: Brad Taylor Ext. 7358

Purchasing Contact: Tracy Davis Ext. 7468

### Contract Amount:

Original Contract Amount: \$ 180,000 (estimated over 3 years)

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval: N/A %

Amount this Request: \$ 180,000

**Resulting Cumulative Total:** \$ 180,000 (estimated over 3 years)

### Contracting Method:

Method of Solicitation: Direct Negotiation

If applicable, basis for exemption: EWEB Rule 6-0230/Water Filtration Chemicals

Term of Agreement: June 5, 2015 – June 4, 2018

Option to Renew? Yes

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

### NARRATIVE:

The Board is being asked to approve a new price agreement with **JCI Jones Chemicals, Inc.** of Tacoma, WA, for liquid chlorine to be used at the Hayden Bridge Filtration Plant.

EWEB’s water filtration plant uses liquid chlorine in the water treatment process to treat bacteria and viruses that may cause adverse human health effects. The Environmental Protection Agency and the Oregon Health Authority mandate that EWEB maintain specified chlorine residuals throughout the water system.

The contractor provides material to the Hayden Bridge site, and the chlorine is off-loaded using onsite equipment. The contractor is required to deliver chlorine with equipment compliant with AWWA Standard B301-04 and the materials must meet specific chemical parameters.

There are a limited number of suppliers in the chemical industry. The last time purchasing issued a bid for chlorine only one company bid. Staff direct negotiated a contract with JCI Jones Chemicals based on a limited pool of suppliers, consistent pricing offered over the past 5 years, and the option for EWEB to lock in consistent pricing over the next 3 year period. Staff completed an informal market survey; chemical providers contacted did not deliver to Oregon, could not meet our demand, or could not meet the delivery requirements. Chemicals will be purchased on an “as needed” basis to meet the water plant’s demands. Exact purchase amounts are unknown and no guarantee has been made to purchase any specific annual quantity. Historical procurement data indicates that EWEB purchases approximately 60 tons per year; therefore, staff estimates the total contract amount to be \$180,000 over 3 years.

### ACTION REQUESTED:

Management requests the Board approve a price agreement with **JCI Jones Chemicals, Inc.** for water treatment chemicals (liquid chlorine) to be used at the Hayden Bridge Filtration Plant. Funds for this purchase were budgeted for 2015 and will be budgeted annually.

### Action Requested:

☒ Contract Award  
☐ Contract Renewal  
☐ Contract Increase  
☐ Other

### Funding Source:

☒ Budget  
☐ Reserves  
☐ New Revenue  
☐ Bonding  
☐ Other

### Form of Contract:

☐ Single Purchase  
☐ Services  
☐ Personal Services  
☐ Construction  
☐ IGA  
☒ Price Agreement  
☐ Other

**SIGNATURES:**

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

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

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

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

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

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

## EWEB Board Consent Calendar Request

*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve a contract with **Lakeside Industries, Inc.** for **Cold Mix**.

Board Meeting Date: June 2, 2015

Project Name/Contract#: 065-2014

Primary Contact: Brad Taylor

Purchasing Contact: Sandra Hahn Ext.7163

### Contract Amount:

Original Contract Amount: \$226,000/over 5 years

Additional \$ Previously Approved: N/A

Invoices over last approval: N/A

Percentage over last approval: N/A

Amount this Request: \$226,000/over 5 years

**Resulting Cumulative Total:** \$226,000/ over 5 years

### Contracting Method:

Method of Solicitation: Invitation to Bid

If applicable, basis for exemption: N/A

Term of Agreement: June 2, 2015 to June 1, 2016

Option to Renew? Yes, up to 5 years maximum

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

### Narrative:

The Board is being asked to approve a new materials contract with **Lakeside Industries, Inc.** of Portland, Oregon for the purchase of cold mix. EWEB requires asphalt cold mix to repair or replace road surfaces when EWEB works on infrastructure located under paved surfaces. The Utility is required to return the paved surfaces to useful condition upon completion of work and uses asphalt cold mix to temporarily repair road or sidewalk surfaces when it is impractical or cost prohibitive to complete permanent restorations during initial work.

In December 2014, EWEB issued a formal Invitation to Bid (ITB) for the purchase of asphalt cold mix. The Invitation to Bid was publicly advertised and four bids were received. Respondents were Wildish Sand & Gravel, Lakeside Industries (EZ Street), Mason's Supply Company, and Baker Rock Resources. The lowest bid was deemed non-responsible and the second lowest bidder, Lakeside Industries, Inc. was determined to be a responsive-responsible bidder that met all bid requirements and technical specifications.

If approved, staff will purchase asphalt cold mix from Lakeside Industries, Inc. for stated projects and on an as-needed basis over the life of the contract. Exact requirements for cold mix are unknown and no guarantee has been made with the contractor to purchase any specific amount. The contract is for one year with automatic renewals over the next four years, not to exceed five years.

### ACTION REQUESTED:

Management requests the Board approve award of a contract with **Lakeside Industries, Inc.,** for purchase of asphalt cold mix. Funds for these purchases were budgeted for 2015, and will be budgeted annually.

### Action Requested:

☒ Contract Award  
☐ Contract Renewal  
☐ Contract Increase  
☐ Other

### Funding Source:

☒ Budget  
☐ Reserves  
☐ New Revenue  
☐ Bonding  
☐ Other

### Form of Contract:

☐ Single Purchase  
☐ Services  
☐ Personal Services  
☐ Construction  
☐ IGA  
☒ Price Agreement  
☐ Other

**SIGNATURES:**

Project Coordinator: \_\_\_\_\_  
Jeremiah Hunt

LT Manager: \_\_\_\_\_  
Brad Taylor

Purchasing Manager: \_\_\_\_\_  
Sarah Gorsegner

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

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

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

## EWEB Board Consent Calendar Request

*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve a new contract with **Util-Assist Inc. for Integration Implementation Services for the Advanced Metering Infrastructure/Meter Data Management (AMI/MDM) Project.**

Board Meeting Date: June 2, 2015  
Project Name/Contract#: Integration Implementation Services RFP 010-2015  
Primary Contact: Erin Erben Ext. 7615  
Purchasing Contact: Tracy Davis Ext. 7468

### Contract Amount:

Original Contract Amount: \$ 700,000 (estimated)  
Additional \$ Previously Approved: \$ NA  
Invoices over last approval: \$ NA  
Percentage over last approval: NA %  
Amount this Request: \$ 700,000  
**Resulting Cumulative Total:** \$ 700,000 (estimated)

### Contracting Method:

Method of Solicitation: Request for Proposal  
If applicable, basis for exemption: NA  
Term of Agreement: June 2015 to February 2017  
Option to Renew? No

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

### Action Requested:

☒ Contract Award  
☐ Contract Renewal  
☐ Contract Increase  
☐ Other

### Funding Source:

☒ Budget  
☐ Reserves  
☐ New Revenue  
☐ Bonding  
☐ Other

### Form of Contract:

☐ Single Purchase  
☐ Services  
☒ Personal Services  
☐ Construction  
☐ IGA  
☐ Price Agreement  
☐ Other

### NARRATIVE:

The Board is being asked to approve a new contract with **Util-Assist Inc. for Integration Implementation Services for the Advanced Metering Infrastructure/Meter Data Management (AMI/MDM) Project.**

Meter Data Management (MDM) software from Harris Utilities is required to facilitate the integration of meter data collected from AMI into EWEB systems to effectively use collected data. The MDM Software will have several integration points (up to fifteen) with many of EWEB's applications. Each integration will have an interface that requires design, development, and implementation according to EWEB's requirements. Once the interfaces are designed and developed, MDM will be capable of feeding information into the applications to create new efficient processes for various EWEB departments.

The integration work will be carried out in two (2) phases. Phase 1 will be to develop requirements and design the interfaces. Phase 2 will be to create the interfaces. Phase 2 scope of work will be negotiated based on the findings in Phase 1. The estimated contract amount is to complete both phases, and includes travel. Payment will be based on hours worked to complete deliverables.

In March 2015, staff issued a Request for Proposals (RFP) seeking an AMI/MDM integration and implementation specialist. Three (3) proposals were received, and after completing the evaluation of the technical proposals, the two highest ranked firms were invited to interview. After interviews were completed, Util-Assist Inc., located in Ontario, Canada, was selected as the highest ranked proposer.

### ACTION REQUESTED:

Management requests the Board approve a new contract with **Util-Assist Inc. for Integration Implementation Services for the AMI/MDM Project.** Funds for these services were budgeted for 2015 and will be budgeted annually.

### SIGNATURES:

Project Manager: \_\_\_\_\_

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

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

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

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

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

## EWEB Board Consent Calendar Request

*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve a contract with **Valleyscapes, Inc.** for **Landscaping Services**.

Board Meeting Date: June 2, 2015

Project Name/Contract#: 011-2015

Primary Contact: Todd Simmons

Purchasing Contact: Sandra Hahn Ext.7163

### Contract Amount:

Original Contract Amount: \$421,000/over 5 years

Additional \$ Previously Approved: N/A

Invoices over last approval: N/A

Percentage over last approval: N/A

Amount this Request: \$421,000/over 5 years

**Resulting Cumulative Total:** \$421,000/ over 5 years

### Contracting Method:

Method of Solicitation: Request for Proposal

If applicable, basis for exemption: N/A

Term of Agreement: June 2, 2015 to June 1, 2016

Option to Renew? Yes, up to 5 years maximum

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

### Narrative:

The Board is being asked to approve a new services contract with **Valleyscapes, Inc.** of Gresham, Oregon for the purchase of landscaping maintenance services for EWEB right-of-way sites and other sites in Eugene/Springfield.

In May 2015, EWEB issued a formal Request for Proposal (RFP) for the provision of landscaping maintenance services. The Request for Proposal was publicly advertised and three proposals were received and evaluated (Respondents were Kokkeler Lawn Care, Inc., Graton's Custom Landscapes, and Valleyscapes, Inc.) The final awarded contractor was selected based on the evaluation criteria in the RFP, and was determined to be a responsive-responsible proposer that met all proposal requirements and technical specifications.

This contract, if approved, is primarily for mowing fields on EWEB property in Eugene/Springfield. Field mowing is a requirement for compliance with fire code regulations, as well as an important aesthetic component of property management. It is estimated that three rounds per year will be needed. However exact requirements for services are unknown and no guarantee has been made with the contractor to purchase any specific amount. All proposed rates represent one fixed price per year for overall service. (Hourly rates have also been established for various categories of potential additional work.) Staff estimates the annual purchases are not to exceed \$421,000 over 5 years.

### ACTION REQUESTED:

Management requests the Board approve award of a contract with **Valleyscapes, Inc.**, for purchase of landscaping services. Funds for these purchases were budgeted for 2015, and will be budgeted annually thereafter.

### Action Requested:

☒ Contract Award  
☐ Contract Renewal  
☐ Contract Increase  
☐ Other

### Funding Source:

☒ Budget  
☐ Reserves  
☐ New Revenue  
☐ Bonding  
☐ Other

### Form of Contract:

☐ Single Purchase  
☒ Services  
☐ Personal Services  
☐ Construction  
☐ IGA  
☐ Price Agreement  
☐ Other

**SIGNATURES:**

Project Coordinator: \_\_\_\_\_  
Julie Nuttall

LT Manager: \_\_\_\_\_  
Todd Simmons

Purchasing Manager: \_\_\_\_\_  
Sarah Gorsegner

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

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

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





# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Mital, Simpson, Helgeson, Manning and Brown  
FROM: Susan Fahey, Finance Manager; Susan Eicher, Accounting and Treasury Supervisor  
DATE: May 26, 2015  
SUBJECT: Banking Resolutions  
OBJECTIVE: Board Action – Approval of Resolutions

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## **Issue**

This memo is requesting the approval of banking resolutions which update the authority to perform the Cash Management Treasury functions due to the change in Treasurer.

## **Background**

Enclosed are four resolutions setting forth signatory and transfer authorizations relating to EWEB's banking activities. The Wire Transfer resolution No. 1511 permits creation of agreements allowing electronic transfer of funds for either payment or obligations for investment of funds. Resolution No. 1512 identifies the authorized signatories for transactions with the Local Government Investment Pool. These resolutions are necessary each time officers of the Board change.

## **Recommendation & Requested Board Action**

We recommend approval of the banking resolutions No. 1511-1514 to comply with treasury function policies. If you have any questions, please contact me at 541-685-7688 or [susan.fahey@eweb.org](mailto:susan.fahey@eweb.org).

**RESOLUTION NO. 1511**  
**JUNE 2015**

**EUGENE WATER & ELECTRIC BOARD**  
**WIRE TRANSFERS**

RESOLVED, that Susan K. Fahey, Treasurer or Susan J. Eicher, Assistant Treasurer, are hereby authorized to enter into a Wire Transfer Service Agreement with any bank with which the Eugene Water & Electric Board is authorized by resolution to do business in such form as shall be satisfactory to bank.

RESOLVED further, that the above named are hereby authorized to designate individuals authorized to give bank telephonic or written instructions concerning wire transfers of funds of this corporation held by bank as depository.

Dated this 2nd day of June, 2015.

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

\_\_\_\_\_  
President

I, TARYN M. JOHNSON, hereby certify that I am the duly appointed, qualified and acting Assistant Secretary of the Eugene Water & Electric Board, and that the attached Resolution is a true and exact copy of a Resolution adopted by the Board at its June 2, 2015 regular board meeting.

\_\_\_\_\_  
Assistant Secretary



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Mital, Simpson, Helgeson, Manning and Brown  
FROM: Susan Fahey, Finance Manager; Susan Eicher, Accounting and Treasury Supervisor  
DATE: May 26, 2015  
SUBJECT: Banking Resolutions  
OBJECTIVE: Board Action – Approval of Resolutions

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## **Issue**

This memo is requesting the approval of banking resolutions which update the authority to perform the Cash Management Treasury functions due to the change in Treasurer.

## **Background**

Enclosed are four resolutions setting forth signatory and transfer authorizations relating to EWEB's banking activities. The Wire Transfer resolution No. 1511 permits creation of agreements allowing electronic transfer of funds for either payment or obligations for investment of funds. Resolution No. 1512 identifies the authorized signatories for transactions with the Local Government Investment Pool. These resolutions are necessary each time officers of the Board change.

## **Recommendation & Requested Board Action**

We recommend approval of the banking resolutions No. 1511-1514 to comply with treasury function policies. If you have any questions, please contact me at 541-685-7688 or [susan.fahey@eweb.org](mailto:susan.fahey@eweb.org).

**RESOLUTION NO. 1512**  
**JUNE 2015**

**EUGENE WATER & ELECTRIC BOARD**  
**LOCAL GOVERNMENT INVESTMENT POOL**

RESOLVED, that the LOCAL GOVERNMENT INVESTMENT POOL (the "Pool"), be and hereby is designated as a depository for funds of the Eugene Water & Electric Board (the "Board"), of the City of Eugene, Oregon, which funds may be deposited or withdrawn in the Board's name by the manual and/or facsimile signature of any two authorized signatories listed herein, The Pool is hereby authorized to honor and pay any withdrawals from said funds whether or not they are payable to bearer or to the individual order of any person or persons signing same.

RESOLVED further, that funds of the Board placed with the Pool shall be deposited in the accounts listed below, in amounts determined by the Board's Treasurer or Assistant Treasurer, and that signatories for withdrawals there from shall be as shown under said accounts.

**LOCAL GOVERNMENT INVESTMENT POOL**

Eugene Water & Electric Board - #

General Manager-Secretary	Roger J. Gray	_____
Assistant Secretary	Taryn M. Johnson	_____
Treasurer	Susan K. Fahey	_____
Assistant Treasurer	Susan J. Eicher	_____

RESOLVED further, that the balance of funds deposited in the Pool shall not exceed the limits as required by ORS 294.810.

RESOLVED further, that the authority hereby conferred upon the above-named persons shall remain in full force and effect until written notice of revocation thereof has been delivered to the Pool, and all prior resolutions relative to the foregoing account and funds are hereby revoked.

Dated this 2nd day of June, 2015.

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

\_\_\_\_\_  
President

I, TARYN M. JOHNSON, hereby certify that I am the duly appointed, qualified and acting Assistant Secretary of the Eugene Water & Electric Board, and that the attached Resolution is a true and exact copy of a Resolution adopted by the Board at its June 2, 2015 regular board meeting.

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Assistant Secretary



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

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FROM: Susan Fahey, Finance Manager; Susan Eicher, Accounting and Treasury Supervisor  
DATE: May 26, 2015  
SUBJECT: Banking Resolutions  
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## **Issue**

This memo is requesting the approval of banking resolutions which update the authority to perform the Cash Management Treasury functions due to the change in Treasurer.

## **Background**

Enclosed are four resolutions setting forth signatory and transfer authorizations relating to EWEB's banking activities. The Wire Transfer resolution No. 1511 permits creation of agreements allowing electronic transfer of funds for either payment or obligations for investment of funds. Resolution No. 1512 identifies the authorized signatories for transactions with the Local Government Investment Pool. These resolutions are necessary each time officers of the Board change.

## **Recommendation & Requested Board Action**

We recommend approval of the banking resolutions No. 1511-1514 to comply with treasury function policies. If you have any questions, please contact me at 541-685-7688 or [susan.fahey@eweb.org](mailto:susan.fahey@eweb.org).

**RESOLUTION NO. 1513**  
**JUNE 2015**

**EUGENE WATER & ELECTRIC BOARD**  
**U.S. BANK**

RESOLVED, that U.S. BANK GLOBAL CORPORATE TRUST SERVICES, PORTLAND, OREGON be and hereby is designated as a bank of and depository for funds of the Eugene Water & Electric Board of the City of Eugene, Oregon, which funds may be deposited or withdrawn on checks, drafts, receipts, or advices or debit given or signed in the Board's name by the manual and/or facsimile signature of any two authorized signatories listed herein. Said bank is hereby authorized to honor and pay any withdrawals from said funds whether or not they are payable to bearer or to the individual order of any person or persons signing same.

RESOLVED further, that funds of the Eugene Water & Electric Board placed in said U.S. Bank Global Trust Services, shall be deposited in the accounts listed below, in amounts determined by the Board's Treasurer or Assistant Treasurer, and that signatories for withdrawals there from shall be as shown under said accounts.

U.S. BANK GLOBAL CORPORATE TRUST SERVICES  
Portland, Oregon  
Electric System Bond Funds & Custodial Account  
Water System Bond Funds & Custodial Account  
Trojan Custodial Account  
Pension Payments - #

General Manager-Secretary	Roger J. Gray	_____
Assistant Secretary	Taryn M. Johnson	_____
Treasurer	Susan K. Fahey	_____
Assistant Treasurer	Susan J. Eicher	_____

RESOLVED further, that any two of the above signatories are designated as the signing authority for all investment transactions of this account and that each such investment transaction shall be confirmed in writing by two of the above signatories.

RESOLVED further, that all canceled checks bank statements and correspondence for the above accounts shall be directed to General Accounting, Eugene Water & Electric Board, Post Office Box 10148, Eugene, Oregon 97440.

RESOLVED further, that the authority hereby conferred upon the above-named persons shall remain in full force and effect until written notice of revocation thereof has been delivered to said Bank, and all prior resolutions relative to the foregoing accounts and funds are hereby revoked.

Dated this 2nd day of June, 2015.

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

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President

I, TARYN M. JOHNSON, hereby certify that I am the duly appointed, qualified and acting Assistant Secretary of the Eugene Water & Electric Board, and that the attached Resolution is a true and exact copy of a Resolution adopted by the Board at its June 2, 2015 regular board meeting.

---

Assistant Secretary



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

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FROM: Susan Fahey, Finance Manager; Susan Eicher, Accounting and Treasury Supervisor  
DATE: May 26, 2015  
SUBJECT: Banking Resolutions  
OBJECTIVE: Board Action – Approval of Resolutions

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## **Issue**

This memo is requesting the approval of banking resolutions which update the authority to perform the Cash Management Treasury functions due to the change in Treasurer.

## **Background**

Enclosed are four resolutions setting forth signatory and transfer authorizations relating to EWEB's banking activities. The Wire Transfer resolution No. 1511 permits creation of agreements allowing electronic transfer of funds for either payment or obligations for investment of funds. Resolution No. 1512 identifies the authorized signatories for transactions with the Local Government Investment Pool. These resolutions are necessary each time officers of the Board change.

## **Recommendation & Requested Board Action**

We recommend approval of the banking resolutions No. 1511-1514 to comply with treasury function policies. If you have any questions, please contact me at 541-685-7688 or [susan.fahey@eweb.org](mailto:susan.fahey@eweb.org).



**RESOLUTION NO. 1514**  
**JUNE 2015**

**EUGENE WATER & ELECTRIC BOARD**  
**BANK OF AMERICA**

RESOLVED, that BANK OF AMERICA, N.A, Portland, Oregon, be and hereby is designated as a bank of and depository for funds of the Eugene Water & Electric Board of the City of Eugene, Oregon, which funds may be deposited or withdrawn on checks, drafts, receipts, or advices or debit given or signed in the Board's name by the manual and/or facsimile signature of any two authorized signatories listed herein. Said bank is hereby authorized to honor and pay any withdrawals from said funds whether or not they are payable to bearer or to the individual order of any person or persons signing same.

RESOLVED further, that funds of the Eugene Water & Electric Board placed in said Bank of America, N.A. shall be deposited in the accounts listed below, in amounts determined by the Board's Treasurer, and that signatories for withdrawals there from shall be as shown under said accounts.

BANK OF AMERICA, NA  
Portland, Oregon Branch  
Main Account #  
Payroll Account #  
Trojan Main Account #  
Controlled Disbursement #

General Manager-Secretary	Roger J. Gray	_____
Assistant Secretary	Taryn M. Johnson	_____
Treasurer	Susan K. Fahey	_____
Assistant Treasurer	Susan J. Eicher	_____

RESOLVED further, that any two of the above signatories are designated as the signing authority for all investment transactions of this account and that each such investment transaction shall be confirmed in writing by two of the above signatories.

RESOLVED further, that all canceled checks bank statements and correspondence for the above accounts shall be directed to General Accounting, Eugene Water & Electric Board, Post Office Box 10148, Eugene, Oregon 97440.

RESOLVED further, that the authority hereby conferred upon the above-named persons shall remain in full force and effect until written notice of revocation thereof has been delivered to said Bank, and all prior resolutions relative to the foregoing accounts and funds are hereby revoked.

Dated this 2nd day of June, 2015.

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

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President

I, TARYN M. JOHNSON, hereby certify that I am the duly appointed, qualified and acting Assistant Secretary of the Eugene Water & Electric Board, and that the attached Resolution is a true and exact copy of a Resolution adopted by the Board at its June 2, 2015 regular board meeting.

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Assistant Secretary