

**EUGENE WATER & ELECTRIC BOARD  
REGULAR SESSION  
EWEB BOARD ROOM  
500 EAST 4TH AVENUE  
August 1, 2017  
5:30 P.M.**

**Commissioners Present:** Dick Helgeson, President; John Brown, Vice President; Sonya Carlson, Steve Mital, John Simpson, Commissioners

**Absent:** None

**Others Present:** Matt Barton, Information Services Manager; Greg Brownell, Portfolio Management Supervisor; Mel Damewood, Chief Water Engineering & Operations Officer; Sue Fahey, Chief Financial Officer; Rene Gonzalez, Customer Operations Manager; Frank Lawson, General Manager; Mike McCann, Interim Chief Energy Officer, Wally McCullough, Water Engineering Supervisor; Kris Moe, Project Manager; Dan Morehouse, Customer Solutions Supervisor; Jeannine Parisi, Government Affairs Coordinator

President Helgeson called the Regular Session to order at 5:30 p.m.

**Agenda Check**

There were no changes to the Agenda

**Items from Board Members and General Manager**

- Commissioner Simpson said that the hot weather should bring good water sales. He also reported that he recently witnessed the installation of ductile iron pipe.
- Vice President Brown said that he was pleased that EWEB was doing a temperature study on the McKenzie River.
- President Helgeson posited that it would be a good idea for the Board to consider phasing out inverted water rates.
- Mr. Lawson reported that staff was looking for a Board volunteer to help put together a Request for Proposal (RFP) for general legal counsel. He said that the utility was preparing for the upcoming solar eclipse.

Commissioner Mital offered to volunteer to help with the RFP.

**Public Input**

**Will Rutherford** of Vida opined that EWEB would be able to get positive exposure upriver by installing signage on a current construction project in the area.

Commissioner Simpson, Vice President Brown, and President Helgeson agreed with Mr. Rutherford.

**BOARD ACTION ITEMS**  
**Approval of Consent Calendar**

**MINUTES**

**1. July 11, 2017 Regular Session**

**CONTRACTS**

- 2. Authorize General Manager to approve contract after completion of a competitive process** - for Carmen Power Tunnel Repairs Project. Not to Exceed \$150,000. Contact Person is Mike McCann 541-685-7379
- 3. Dell Marketing** - for the Use of Two Cooperative Contracts for Computer Hardware, Software, and Support. \$1,200,000 (over 3 years). Contact Person is Matt Barton 541-685-7109
- 4. Manzo, Inc.** - for Implementation Services for an Integrated Software as a Service (SaaS) Human Capital Management Services (HCMS) solution. \$483,690 (\$943,690 resulting cumulative total). Contact Person is Lena Kostopulos 541-685-7466
- 5. Retail Lockbox, Inc. in partnership with Bank of the Cascades** - for Lockbox Services (check payment processing). \$450,000 (over 5 years). Contact Person is Sue Fahey 541-685-7688
- 6. US Bank, NA - for Treasury and Depository Services. \$420,000 (over 5 years).** Contact Person is Sue Fahey 541-685-7688

**RESOLUTIONS**

- 7. Resolution No. 1706** - Update to EWEB Public Contracting Rule 2-0150 and Board Policy EL2, Purchasing Controls. Contact Person is Sue Fahey 541-685-7688
- 8. Resolution No. 1716** - Declaring Surplus Harvest Wind. Contact Person is Mike McCann 541-685-7379
- 9. Resolution No. 1719** - Declaring Surplus Foote Creek I. Contact Person is Mike McCann 541-685-7379
- 10. Resolution No. 1722**- Oregon Depository Accounts. Contact Person is Sue Fahey 541-685-7688

***Vice President Brown moved to approve the Consent Calendar. The motion carried unanimously 5:0.***

Commissioner Mital thanked Ms. Fahey for working to resolve issues that he had with Resolution 1706. He also wondered how long ago since Resolution 1716 had been a topic of conversation within the utility.

Mr. Lawson replied that there had not been a lot of discussion thus far, but staff was looking at options for surplus wind energy.

Commissioner Simpson said that he was caught off guard by surpluses being included in the Consent Calendar.

### **Items Removed from Consent Calendar**

None

### **2018 Customer Generation Prices**

Mr. Brownell and Mr. McCann offered the Board a report and Power Point presentation on 2018 Customer Generation Prices.

### **Strategic Plan Update**

Mr. Lawson offered the Board an update on the Strategic Plan.

***Commissioner Mital moved to approve the Strategic Plan. The motion carried unanimously 5:0.***

## **GENERAL BUSINESS ITEMS**

### **Customer Information System Replacement Project Update**

Mr. Barton, Mr. Gonzalez, Ms. Fahey, and Mr. Moe offered the Board an update on the Customer Information System (CIS) Replacement Project.

Commissioner Simpson inquired how intricate Software as a Service (SaaS) was.

Mr. Barton responded that SaaS could be very intricate. He also said that in the realm of CIS, there was not a lot of SaaS offerings.

Commissioner Simpson asked if it was the intention of the Information Services department to absorb the Work Asset Management system (WAM) into a new application.

Mr. Barton said that they planned to absorb the WAM system into a new application during the course of the 10-year IS strategic plan.

Commissioner Simpson asked if the CIS project was on schedule.

Mr. Barton said, although they had met with delays, the project was on schedule.

Vice President Brown asked why EWEB was spending \$15 million on the CIS project.

Mr. Barton said that he considered CIS one of EWEB's most critical systems, and that by replacing the current system, the utility can avoid system failures, and enjoy more stringent cyber security.

Commissioner Mital asked what kind of cyber security reviews were performed as part of this update.

Mr. Barton responded that he had much less concerns with security of the new platform, as opposed to the old platform.

Commissioner Mital wondered what would happen if EWEB was not satisfied with the new CIS.

Ms. Fahey said that EWEB had contracted with a company whose specialty is CIS, and she felt comfortable with the relationship with said company so far.

Commissioner Mital asked how the \$11 million would be paid out.

Ms. Fahey responded that EWEB would pay the company upon receipt of certain deliverables.

Commissioner Simpson asked if the new CIS involved bill presentment and printing.

Mr. Barton said that currently, it did not.

Commissioner Mital wondered why this update is taking so long.

Mr. Moe replied that the project was large and complex, and could take a long time to implement.

Commissioner Carlson wondered what the expected lifespan, and operational costs of the CIS update would be.

Mr. Barton replied he expected the system to last at least 10 years. He said the Information Services Department would update the Board prior to the September meeting as to the operating costs of the new CIS.

### **Public Hearing on 2018 Customer Generation Prices**

President Helgeson opened the Public Hearing at 6:44 p.m., and seeing no one who wished to speak, closed the Public Hearing at 6:45

**Resolution No 1720, 2018 Customer Generation Prices: Action**  
***Commissioner Simpson moved to approve Resolution No. 1720. The motion carried unanimously 5:0.***

## **Break**

President Helgeson called for a break at 6:55 p.m. He reconvened the meeting at 7:08 p.m.

## **Water Reliability Initiative**

Mr. Damewood and Mr. McCullough offered the Board a report and Power Point presentation on the Water Reliability Initiative. The report and presentation culminated in the following questions for the Board:

1. Does the Board want staff to pursue both permanent and mobile water distribution sites for up to \$1.0 million/year over the next 5 years?
2. Does the Board want staff to defer the building of a second source to pursue regional solutions and partnerships, and re-evaluate the timing of construction of the Willamette Treatment Plant to be no later than 2030?

Vice President Brown pointed out that there were many wells not included in this report. He also pointed out that wellhead protection should be employed to prevent hazardous substances from getting into the wells. Vice President Brown answered yes to both questions numbered 1 and 2 above.

Commissioner Simpson stated that he would like to see as many as eight trailers parked north of the river, or readily available to be airlifted there. He wondered how ready the Water side of the utility was to shift into an Incident Command System (ICS) scenario in the event of a Cascadia Subduction Zone (CSZ) earthquake. Commissioner Simpson answered yes to both questions numbered 1 and 2 above.

Commissioner Carlson asked if the mobile water sites would be dispersing water from the system, or a nearby body of water such as a river.

Mr. McCullough answered that both would be possible.

Commissioner Carlson stressed the importance of looking at wastewater issues as well, and partnering with the entities that provide those services to do so.

Commissioner Mital echoed Vice President Brown's sentiment of looking for as many wells as possible, and taking a complete inventory of them. He said that he was not strongly in favor of the mobile water distribution units as laid out in Question 1 to the Board, but was in favor of Question 2.

President Helgeson called for a broader approach to a possible disaster that included the entirety of the utility and its partners.

Commissioner Mital advocated for the focus to be shifted to permanent sites, as per Question 1 above.

Mr. Lawson said that a site dubbed a "distribution site," does not always equate to mobile. He added that this sort of planning would enter the utility into regional partnerships with schools, industrial suppliers, golf courses, etc.

President Helgeson stated that he believed Question 1 had priority over Question 2.

### **2017 Second Quarter Operating Dashboard**

Mr. Lawson offered the Board an update on the 2017 Second Quarter Operating Dashboard.

Commissioner Carlson asked what the Weyerhaeuser land purchase was for.

Mr. Lawson responded that part of the purchase was for upgrades and expansion to an adjacent substation, and also the land was purchased to strengthen the integrity of source protection.

### **Correspondence and Board Agendas**

Commissioner Simpson asked for a briefing on the Electric Pricing Redesign Committee.

Ms. Parisi said the Committee had a recommendation ready, and they were planning an open house at the end of September.

Mr. Mital posited that in the past, he did not feel the Board had enough time to thoroughly look at a Pricing Redesign.

President Helgeson said he would rather the Board not make any decisions as per Redesign this year.

Vice President Brown stated that although he would not be at the September meeting, he was not in support of the timing of the Consent Calendar item giving the City of Eugene 3 acres of land.

### **Board Wrap Up**

President Helgeson wondered if EWEB needed to balance some of its core principles with all the other things the utility does and offers.

### **Adjournment**

President Helgeson adjourned the Regular Session at 8:24 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 a Reimbursable Agreement with the **Bonneville Power Administration (BPA)** for the **interconnection of EWEB's Holden Creek Substation.**

Board Meeting Date: September 5, 2017

Project Name/Contract#: Holden Creek Substation / IGA 17TP-11277

Primary Contact: Rod Price Ext. 7122

Purchasing Contact: Sandra Hahn Ext. 7163

### **Contract Amount:**

Original Contract Amount: \$ 400,000

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval:                    %

Amount this Request: \$ 400,000

**Resulting Cumulative Total:** \$ 400,000

### **Contracting Method:**

Method of Solicitation: Intergovernmental Agreement (IGA)

If applicable, basis for exemption: 6-0110, Contracts between contracting agencies within Oregon or Federal Government

Term of Agreement: June 30, 2018

Option to Renew? No

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

Proposals/Bids Received (Range): N/A-IGA

Selection Basis: N/A-IGA

### **Narrative:**

The Board is being asked to approve an agreement with Bonneville Power Administration (BPA) for the purchase of engineering and construction services to connect the EWEB Holden Creek Substation to BPA's transmission system.

The contracted services will include project management, engineering, and construction of a transmission line that will be used to modify the existing transmission line and interconnect, and meter the electrical load at Holden Creek Substation. These services are estimated to be \$400,000; however actual charges will be charged on a time and materials basis.

This contract also specifies services that will be performed by BPA, at BPA's expense which include: line impairment mitigations for several sections of the Thurston-Blue River transmission line.

If approved, Staff will execute this agreement with BPA.

### **ACTION REQUESTED:**

Management requests the Board approve Agreement No. 17TP-11277 with **BPA** for the **interconnection of EWEB's Holden Creek Substation.** Funds for this work were budgeted under "Electric T&D – Type 2 Strategic" in the 2017 CIP as part of the completion of the Holden Creek Construction work. The total budget for the Holden Creek Construction for 2017 is \$4,457,000.

**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 new contract with **Cayenta** for the purchase and implementation of a **Customer Information System (CIS)**.

Board Meeting Date: September 5, 2017

Project Name/Contract#: Customer Information System Replacement Project / RFP 004-2016

Primary Contact: Matt Barton Ext. 7109

Purchasing Contact: Tracy Davis Ext. 7468

### Contract Amount:

Original Contract Amount: \$ 6,400,000 (Includes maintenance and support through June 2024)

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval: N/A %

Amount this Request: \$ 6,400,000

**Resulting Cumulative Total:** \$ **6,400,000**

### Contracting Method:

Method of Solicitation: Formal Request for Proposal

If applicable, basis for exemption: N/A

Term of Agreement: September 2017 – June 2024 (Includes maintenance)

Option to Renew? Annually up to 5 years following system go-live

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

Proposals/Bids Received (Range): 6 (\$5,484,944 to \$12,886,596)

Selection Basis: Highest Ranked Proposer

### Narrative:

The Board is being asked to approve a new contract with **Cayenta** of Burnaby, British Columbia, Canada, for the purchase and implementation of a Customer Information System (CIS).

EWEB requires software and professional services to replace an aging, unsupported legacy Customer Information System with a modern Customer Information System for continued support of EWEB's electric and water customers. Contract objectives are to delineate EWEB and Cayenta project responsibilities, identify milestones and payments for services rendered and to identify criteria that will be used for system acceptance.

Contracted services include project management, data migration, application configuration, modifications, integrations, testing, reporting, and post go-live support.

In March 2016, staff issued a Formal Request for Proposals (RFP). EWEB received six proposals from: Advanced Utility Systems of Toronto ON, Canada; Cayenta of Burnaby BC, Canada; Cogsdale of Charlottetown PE, Canada; Itineris of Marietta, GA; Systems & Software of Williston, VT; and Vertex of Richardson, TX. The responses were evaluated based on the criteria stated in the RFP which included company qualifications, experience, references, and fees. Staff included reference check site visits, clarification of systems requirements, system demonstrations, and a Best and Final Offer (BAFO) request in the evaluation and contract negotiation processes.

Cayenta was found to be responsive and received the highest score in the evaluation of proposals and demonstrations. Cayenta scored highly on their ability to provide required system functionality, alignment with

EWEB's Information Services long term system plans, the implementation plan, and pricing. Staff has successfully negotiated a contract, and has issued a Notice of Intent to Award, pending Board approval.

**ACTION REQUESTED:**

Management requests the Board approve a new contract with **Cayenta** of Burnaby, British Colombia, Canada, for the purchase and implementation of a **Customer Information System (CIS)**.

Funds for these services are included in the capital improvement plan, the total budget for the project is \$11,150,000 which includes consulting services, this license and implementation contract (\$4.78 Million), internal labor, and project overhead costs.

Ongoing operation and maintenance (O&M) costs associated with this contract (\$1.62 Million) will be around \$275,000 for annual maintenance and support which is approximately \$20,000 more per year than the legacy system. The O&M budget for Information Services for 2017 is \$10.7 Million. Funds for maintenance and support will be budgeted annually.

**SIGNATURES:**

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

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

Purchasing Supervisor: \_\_\_\_\_

Executive Officer: \_\_\_\_\_

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



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Helgeson, Brown, Mital, Simpson and Carlson  
FROM: Frank Lawson, General Manager  
DATE: August 30, 2017  
SUBJECT: Update to Board Policy SD1, Mission, Vision, Values & Legacy  
OBJECTIVE: Board Action

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## **Issue & Background**

Board Policy GP3 requires that the board review and approve the strategic direction of the organization. At the August 1, 2017 board meeting, Commissioners approved the 2017-2020 Strategic Plan.

At this time, Management requests action to provide revisions to Board Policy SD1 titled Mission, Vision, Values & Legacy. The highlighted language on the pages that follow has been updated to be consistent with the Plan changes.

## **Requested Board Action**

Approval of Resolution No. 1717: Revisions to Board Policy SD1, Mission, Vision, Values & Legacy.

**Policy Number:** SD1  
**Policy Type:** Strategic Direction  
**Policy Title:** Mission, Vision, Values & Legacy  
**Effective Date:** September 5, 2017

**Mission:**

EWEB's core mission is to enhance our community's vitality by delivering drinking water and electric services consistent with the values of our customer-owners.

**Vision:**

EWEB's vision is to be a local utility that inspires our customer-owners to invest in and rely on us.

**Organizational Core Values:**

- **SAFE:** We value workforce and public safety
- **RELIABLE:** We value the continuous, on-demand, delivery of quality drinking water and electricity
- **RESPONSIBLE:** We value the prudent and sustainable local stewardship of our customers' limited financial and natural resources
- **COMMUNITY:** We value our commitment and obligation to serve our local community

**Fundamental Legacy:**

Our values are supplemented by a set of principles and behavioral expectations, as follows:

- Providing affordable products and services
- Caring about our community and the environment
- Continuously improving our efficiency and effectiveness
- Emphasizing customer service and defining value through our customers' eyes
- Treating each individual respectfully
- Providing a quality work environment for our employees

**We meet our customers' needs by:**

- Providing reliable and high quality utility products and services
- Providing services in a responsive manner
- Providing prices and fees that are reasonable and stable

**The organization:**

- Uses an integrated planning process based on vision, strategic direction, critical success factors and results management
- Uses innovation and creativity to develop solutions to complex and challenging issues
- Is flexible, adaptive, and learns from prior experiences
- Is financially stable
- Supports excellence in the workforce by providing competitive wages, benefits and development opportunities

**We meet the community's needs by:**

- Dealing effectively with tensions between social, economic and environmental factors
- Demonstrating concern and responsiveness to social issues involving the provision of energy and water services
- Supporting a sound economy through fiscally prudent prices
- Demonstrating sensitivity and responsiveness to environmental concerns; recognizing the importance of a healthy ecosystem to its operations

**The Board of Commissioners:**

- Effectively governs, resulting in clear leadership at a policy level
- Provides direction and makes decisions anchored in a sound assessment of priorities and strategic risks
- Maintains a strong connection to customers and the community

Source: Board Approved 05/04/2004, Ratified 04/19/2005, Revised 10/6/2015, Resolution No. 1527, Revised September 5, 2017, Resolution No. 1717.

**RESOLUTION NO. 1717  
SEPTEMBER 2017**

**EUGENE WATER & ELECTRIC BOARD  
RESOLUTION APPROVING REVISIONS TO BOARD POLICY SD1**

**WHEREAS**, the Eugene Water & Electric Board (EWEB) maintains a Board Policy Manual that contains governing policies for the Board of Commissioners; and

**WHEREAS**, the Board of Commissioners periodically reviews said policies and identifies required modifications or amendments to those policies; and

**WHEREAS**, the Board of Commissioners periodically determines that new policy is required to adequately document the work or intention of the Board with regard to governance, Board-staff linkage, strategic direction or executive limitations; and

**WHEREAS**, the Board of Commissioners has reviewed a modification to Board Policy SD1, Mission, Vision, Values & Legacy and has determined that the modification is appropriate and necessary.

**NOW, THEREFORE, BE IT RESOLVED** the Eugene Water & Electric Board hereby approves the revisions to Board Policy SD1 - Mission, Vision, Values & Legacy.

DATED this 5<sup>th</sup> day of September 2017.

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 September 5, 2017 Regular Board Meeting.

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



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD



TO: Commissioners Helgeson, Brown, Mital, Simpson and Carlson  
FROM: Sue Fahey, Chief Financial Officer; Susan Eicher, Accounting and Treasury  
Supervisor  
DATE: August 18, 2017  
SUBJECT: Supplemental Retirement Plan Committee Updates  
OBJECTIVE: Approval of Resolution No. 1724

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## **Issue**

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

## **Background**

The EWEB SRP was created in 1968 and closed to new participants in 1988. The plan currently has 35 participants or beneficiaries, with an average age of 90 years, to whom payments are made. In 2016 EWEB paid \$200 thousand in supplemental retirement benefits. The plan is closed and there have been no recent changes in the design or terms of the plan.

## **Discussion**

EWEB funds the plan on a “pay as you go” basis, and staff monitor and administer the plan. A contracted payroll service prepares monthly checks and tax documentation for plan participants. The terms of the plan include a cost of living adjustment (COLA) based upon the rate used by the Oregon PERS plan. Plan decisions are made by a three member committee that is appointed by the Board. Two committee members will leave EWEB’s employment in the near future and Management is requesting the Board appoint new committee members to assist in a smooth transition.

## **Recommendation**

Management requests that the Board approve the appointment of Laura Fowler, Benefits Consultant, and Jeremy Whittlesey, Payroll Administrator, to the Supplemental Retirement Committee.

## **Requested Board Action**

Approval of Resolution No. 1724.

**RESOLUTION NO. 1724  
SEPTEMBER 2017**

**EUGENE WATER & ELECTRIC BOARD  
APPOINTMENT OF SUPPLEMENTAL RETIREMENT PLAN COMMITTEE –  
REPLACEMENT MEMBERS**

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

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

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

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

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

**WHEREAS**, certain members of the Retirement Committee will leave EWEB employment, creating vacancies on the Retirement Committee;

**WHEREAS**, the Board of Commissioners shall appoint new members to fill any vacancies on the Retirement Committee which may occur for any reason,

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

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

With appreciation of their service, the Board formally removes Karen DeChellis (EWEB Human Resources Benefits Consultant), and Diane Krause (EWEB Payroll Administrator), from service as of this date. The Board continues the Supplemental Retirement Plan without amendment, and hereby appoints the Retirement Committee to be prospectively comprised of Susan Eicher (EWEB Assistant Treasurer), Laura Fowler, and Jeremy Whittlesey.



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

Dated this 5th day of September 2017.

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

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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 September 5, 2017 Board Meeting.

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Assistant Secretary