

**EUGENE WATER & ELECTRIC BOARD
EXECUTIVE SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
MARCH 6, 2018
4:30 P.M.**

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

Others present: Frank Lawson, General Manager

EXECUTIVE SESSION #1:

Pursuant to ORS 192.660(2)(i)

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

President Brown adjourned the Executive Session meeting at 4:58 p.m.

Assistant Secretary

President

**EUGENE WATER & ELECTRIC BOARD
EXECUTIVE SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
MARCH 6, 2018
5:00 P.M.**

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

EXECUTIVE SESSION #2:

Pursuant to ORS 192.660(2)(e)

The EWEB Board of Commissioners met in Executive Session to conduct deliberations with persons designated by the governing body to negotiate real property transactions.

Others Present: Jeff Elder, Evans Elder Brown & Seubert; Frank Lawson, General Manager; Lisa McLaughlin, Environmental Supervisor; Susan Ackerman, Chief Energy Officer, Mel Damewood, Chief Water Engineering & Operations Officer, Sue Fahey, Chief Financial Officer, Lena Kostopulos, Chief Human Resources Officer. Tim O'Dell, Right-of-Way Agent; Anne Kah, Executive Assistant

President Brown adjourned the Executive Session meeting at 5:33 p.m.

Assistant Secretary

President

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
March 6, 2018
5:45 P.M.**

* *Audio file available to the public upon request.*

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

Absent: None

Others Present: Rachel Chilton, Communication Specialist; Jeff Elder, Evans, Elder, Brown & Seubert; Sue Fahey, Chief Financial Officer; Julie McGaughey, Customer Operations Manager; Lisa McLaughlin, Environmental Supervisor; Frank Lawson, General Manager; Rod Price, Chief Electric Engineering & Operations Officer

President Brown called the Regular Session to order at 5:41 p.m.

Agenda Check

There were no changes or additions to the Agenda.

Items from Board Members and General Manager

- Commissioner Helgeson reported that he would be up for reelection as liaison to the Northwest Public Power Association (NWPPA).
- Commissioner Mital said that he had noticed a lot of EWEB advertisements on Facebook; he thanked staff for putting EWEB on a more competitive footing. He also said that he was not able to find the Low-Income Review on any upcoming meeting agendas.
- President Brown said the property owners up the McKenzie were not reporting illegal camping as they should, instead EWEB was doing it, and he didn't feel like that was EWEB's responsibility. President Brown wondered if a change in ownership of the property directly above EWEB's intake might be in order. He asked the Board if they were okay with him drafting a letter to Willamalane, asking them to be better stewards of their property.
- Commissioner Simpson reminded those present that his seat on the EWEB Board would soon be up for grabs, and the race for that seat was heating up.

Public Input

Jenny Bennett of Eugene, and Summit Bank, thanked the EWEB Board for doing business with, and investing in Summit Bank.

Jim Neu of Eugene thanked the Board for their support of incentives for EWEB customers through March 31 to switch from fracked gas or oil-burning systems to heat pump systems. He also said he was in favor of the AMI opt-out idea.

Commissioner Helgeson expressed surprise at not hearing more public comment about Advanced Metering. He wondered if there was any value in finding former Board views on AMI.

Commissioner Mital thanked Ms. Bennett for setting the example of coming down in person to tell the EWEB Board that her organization appreciates EWEB's business. He agreed with Commissioner Helgeson's thought regarding Board views on AMI.

President Brown thanked both members of the public for their thoughts.

BOARD ACTION ITEMS

Approval of Consent Calendar

MINUTES

1. February 6, 2018 Regular Session

BOARD APPOINTED CONSULTANTS

2. Luvaas Cobb Attorneys at Law - for General Counsel Services for the EWEB Board of Commissioners. \$50,000 (over five years).

3. Arnold Gallagher P.C. - for Real Estate Legal Counsel Services for the EWEB Board of Commissioners. \$50,000 (over five years).

4. Watkinson Laird Rubenstein P.C. - for Real Estate Legal Counsel Services for the EWEB Board of Commissioners. \$50,000 (over five years).

CONTRACTS

5. WESCO Distribution - for the periodic purchase of Three Phase Submersible Transformers. \$170,000 (over 5 years).

6. Wildish Building Company - for Construction Services for the construction of the Smith Dam Debris Booms. \$426,000.

7. WorleyParsons - for a Battery Energy Storage System. \$990,000.

Commissioner Simpson pulled Item 7

Mr. Lawson pulled the February 6, 2018 minutes.

Approval of Consent Calendar

Commissioner Simpson moved to approve the Consent Calendar without Item 7 and the February 6, 2018 minutes. The motion passed unanimously 5:0.

Items Removed From Consent Calendar

Commissioner Simpson wondered about the allocation split for Water and Electric with the contract in question. He said he did not understand why the Water side of the project received no allocation during this contract.

Mr. Price said the project, and contract for same, was under Electric budgeting, and totally separate from the Water budget. He clarified that this contract did not deal with pumps, but was solely focused on energy supply to said pumps.

Commissioner Mital asked if the project represented by Item 7 on the Consent Calendar was a new project, or a redirect.

Mr. Price replied the project was a redirect.

Commissioner Mital stressed the importance of the utility finding a liquid fuel source for a source of power during an outage. He asserted that a cost-comparison to this end should be pursued.

Commissioner Simpson moved to approve Consent Calendar Item 7. The motion passed unanimously 5:0.

Mr. Lawson felt that a comparison he had made between the carbon content and carbon intensity of EWEB's fleet vs. EWEB's generating resources required clarification. He said the fleet generated roughly 1,500 tons of carbon emissions annually, whereas EWEB's generation resources (mostly from BPA), when added all together, came to approximately 30-35,000 tons per year.

Commissioner Helgeson moved to approve the February 6, 2018 minutes. The motion passed unanimously 5:0.

GENERAL BUSINESS ITEMS

EWEB Headquarters Options

Ms. McLaughlin and Mr. Elder offered the Board a report and Power Point presentation on EWEB Headquarters options.

President Brown asserted that although he and Mr. Elder worked at the same firm, there was no conflict of interest. He also stated that although he helped put EGI/Philips in the building, he did so without compensation of any kind.

Commissioner Simpson said he was in favor of preserving the revenue stream, and that any timeframes involving EWEB's Declaration of Surplus, be paralleled or collapsed as much as possible and explore any possible opportunity to do something like a pre-declaration. He also said he was interested in leveraging the value of the current tenant.

Commissioner Helgeson announced his support for option number three on the Power Point presentation, which reads: "Do not reconfigure for multi-tenancy. Lease with a single tenant that likely will not require the entire space."

Vice President Carlson agreed that holding onto a tenant would be a good idea. She posited that the sale would take many years, and it would be best to wait and see what will happen, possibly extending any contracts that would be necessary to extend.

Commissioner Mital also agreed with option three.

President Brown also agreed with option three, but he reminded the Board that the decision of where EWEB's customer service center would be still needed to be addressed.

Mr. Lawson said this conversation was very helpful to the decision of where EWEB customer service will be located.

Customer Policy Revisions and Advanced Metering Communication Blueprint

Ms. Fahey and Ms. McGaughey offered the Board a report and Power Point presentation on Customer Policy Revisions.

Commissioner Simpson thanked staff for their diligence in putting together the policy changes.

Commissioner Helgeson declared his support for the policy revisions; he said he would like to see a restructuring of the information on the website, to make it more readily accessible to EWEB customers. Commissioner Helgeson asked if the previously-approved Advanced Metering Deployment and Implementation Options, Resolution No. 1811, A Resolution Amending Resolution No. 1322 Regarding Advanced Metering Infrastructure, rescinded the principals that were agreed upon before the Resolution in question.

Mr. Lawson answered that it did.

Commissioner Helgeson asked if that was staff's intent.

Mr. Lawson replied that it was. He felt that those principles were better captured in other ways that staff worked with the Board.

Vice President Carlson said she liked the way in which staff had reorganized toward the Strategic Plan. She said she was intrigued by the Customer Bill of Rights, although she expressed caution at what was in the final draft of the Customer Bill of Rights.

Commissioner Mital said he was supportive of the direction staff was heading, but he said he would need more time to become completely comfortable.

President Brown wondered about the added language in the resale of utility services portion of the proposed revisions. He said the majority of mobile home parks in the area have single water meters, and the mobile home park sells the water flowing through that meter to the units therein. He inquired if this is a change to the policy.

Ms. Fahey said she does not believe we changed that language but would look at it more closely; the way the language is worded is that they can only divide it up based on the total of the bill and cannot charge excess, however it is true that EWEB does not monitor that.

Commissioner Mital said he would like to flag that issue going forward.

President Brown asked why EWEB didn't assess System Development Charge (SDC) fees for fire hydrants.

Ms. Fahey said staff would get back to him with an answer.

Commissioner Simpson said he would like to see language clearly defining all aspects of opt-in/opt-out.

Ms. Chilton offered the Board a report and Power Point presentation on the Advanced Metering Communication Blueprint.

Commissioner Helgeson wondered when the informational aspect would begin.

Ms. Chilton answered that staff was starting Phase I at present.

Commissioner Helgeson asked when the Board would receive updates on the process of the project.

Ms. Fahey said the Board would be receiving updates monthly.

Commissioner Helgeson asked when the kickoff for this project would be.

Ms. Chilton said she doubted the average customer would see any change, so she was not sure if an announcement to EWEB customers was necessary.

Vice President Carlson asked if the AMI communication roll-out would be region-specific.

Ms. Chilton said that was correct. She said the plan was to roll-out AMI communications by route.

Vice President Carlson wondered how long the AMI communication roll-out would take.

Mr. Lawson said the full deployment was scheduled to take 8-10 years.

President Brown asked what was meant by notice to customers whenever feasible, and for staff to give an example of when it would not be feasible and if it wasn't, what would the utility do?

Ms. Chilton responded that was one of the "what if" scenarios that staff would plan for; such as when a customer is out of town and something happens and their meter has to be replaced that day. First, follow the process to make sure we notified that customer in every way we had available. Second if we couldn't give proper notification as outlined in the plan, how we would respond to that.

Commissioner Simpson reminded those present that AMI was not just about electrical meters, but was also about water meters. He felt that should be a part of the AMI communication blueprint.

Commissioner Helgeson asked if it would only be the EWEB account holder with the ability to opt out of AMI.

Ms. Fahey said that was correct.

Mr. Lawson opined that opt-out was not just about the technology, but about products and services as well.

Break

President Brown called for a break at 7:15 p.m., and reconvened the Regular Session at 7:30 p.m.

General Manager's Annual Performance Evaluation for 2017

President Brown stated the Board had met earlier in Executive Session and discussed the General Manager's performance; he added that each Board member had provided a written performance evaluation for the General Manager.

Commissioner Simpson offered that he was very pleased with Mr. Lawson's performance as EWEB General Manager.

Commissioner Helgeson thanked Mr. Lawson and staff for their hard work and dedication to the utility.

Vice President Carlson thanked Mr. Lawson for his service to EWEB.

Commissioner Mital thanked Mr. Lawson for his service to EWEB.

President Brown thanked Mr. Lawson and staff for their hard work and dedication to the utility.

Preliminary Residential Electric Pricing Committee Findings

President Brown announced the person set to give the presentation on Preliminary Residential Electric Pricing Committee Findings was not in attendance; he suggested pushing the item to a future agenda. The Board concurred.

Correspondence & Board Agendas

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

President Brown commended Mr. Lawson on going after the funds necessary for Electric System Outage Reduction Opportunities.

Commissioner Simpson wondered if EWEB was replacing the Open Access Transmission Tariff (OATT), because it was simpler than the FERC guidelines.

Mr. Lawson said that was correct.

Commissioner Helgeson wondered which customers would be affected by the tariff.

Mr. Lawson replied that currently three EWEB customers would fall under the tariff: Portland General Electric, Springfield Utility Board, and the University of Oregon.

Board Wrap Up

Commissioner Simpson said he would like to see more public participation; both public testimony and staying for the presentations.

Commissioner Helgeson said he would like to see a firm decision document that addresses issues which have been raised during the five-year AMI process.

Vice President Carlson wondered if there were any further updates on the Weyerhaeuser sale mentioned in the Register Guard.

Mr. Lawson reported that EWEB is presently only proposing to buy the portion surrounding the substation as well as along the river; this parcel is not inclusive of where the individual in the paper is currently residing.

Adjourn

The presenter of the Preliminary Residential Electric Pricing Committee Findings entered the meeting after Board Wrap Up. President Brown asked the Board again, if they would be comfortable pushing this agenda item to a future meeting. All said they would be.

President Brown adjourned the meeting at 8:01 p.m.

Assistant Secretary

President

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to authorize the use of two cooperative contracts for **computer hardware, software, and support** from **CDW-G**.

Board Meeting Date: April 3, 2018

Project Name/Contract#: Hardware/Software/Support / State or OR and National IPA Contracts with CDW-G

Contact: Matt Barton Ext. 7109

Purchasing Contact: Tracy Davis Ext. 7468

Expected Spend: \$200,000 over the next two years

Narrative:

The Board is being asked to approve the purchase of **computer hardware, software, and support** from **CDW-G** of Vernon Hills, IL, for two years.

EWEB purchases hardware (laptops, monitors, keyboards, etc.) from CDW-G. CDW-G also provides warranty support for this hardware in the event of hardware failure.

CDW-G is our Value Added Reseller (VAR) for hardware, accessories, and software services, support and maintenance. CDW-G assists in EWEB's licensing with vendors to ensure we get the best value from our contracts. It is an industry practice for organizations of EWEB's size to use a VAR to purchase software and hardware from vendors.

The hardware, software, and support are available under two existing cooperative contracts: State of Oregon Price Agreement 5603 (hardware only); National Intergovernmental Purchasing Alliance 130733.

ACTION REQUESTED:

Management requests the Board authorize the use of two cooperative contracts for computer hardware, software, and support from **CDW-G** for two years. Funds for these purchases were budgeted for 2018, and will be budgeted annually through the term of the proposed contracts.

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 authorize the use of a cooperative contract for NetApp hardware and services from **CVE Technologies**.

Board Meeting Date: April 3, 2018

Project Name/Contract#: NetApp Purchases / NASPO-Washington State Price Agreement 05815-009

Primary Contact: Matt Barton Ext. 7109

Purchasing Contact: Tracy Davis Ext. 7468

Expected Spend: \$350,000 for two years

Narrative:

The Board is being asked to authorize the use of Washington State Price Agreement 05815-009 (a cooperative contract through the National Association of State Procurement Officials) for NetApp hardware and services. EWEB intends to purchase hardware and services from **CVE Technologies** of Portland, OR (a NetApp Value Added Reseller).

Purchases from CVE Technologies of NetApp services and hardware will be used to support EWEB's network, computing, and storage systems. Purchases are available under the existing Washington State cooperative contract.

ACTION REQUESTED:

Management requests the Board authorize the use of the contract for NetApp hardware and services from **CVE Technologies** for two years. Funds for are purchase were budgeted for 2018, and will be budgeted annually through the term of the contract.

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 personal services contract with **Make It Happen** for **IT Project Management Services**.

Board Meeting Date: April 3, 2018

Project Name/Contract#: IT Management Services / PSC #2446

Primary Contact: Matt Barton Ext. 7109

Purchasing Contact: Tracy Davis Ext. 7468

Contract Amount:

Original Contract Amount: \$ 146,000

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval: N/A %

Amount this Request: \$ 20,000

Resulting Cumulative Total: \$ 166,000

Contracting Method:

Method of Solicitation: Direct Negotiation

If applicable, basis for exemption: Rule 3-0275 – Sole Source Procurements

Term of Agreement: 9-21-15 to 9-20-18

Option to Renew? No

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

Proposals/Bids Received (Range): N/A

Selection Basis: Direct Negotiation

Narrative:

The Board is being asked to approve a personal services contract with **Make It Happen** of Eugene, OR for the purchase of **IT Project Management Services**.

MakeITHappen (MIH) provides Project Managers with Project Management Professional (PMP) certifications and strong experience in IT project management. In addition, MIH is a locally owned business with local resources, allowing EWEB to minimize or eliminate travel costs that would typically be associated with such as engagement, while maximizing investment in local community resources. MIH principals have prior working experience with the EWEB IT department staff and EWEB project management methods, minimizing training and discovery labor at project onset.

EWEB has engaged with MIH to complete a series of projects. All have been completed with the exception of replacing EWEB's Vegetation Management Software. The current system is at the end of its useful life. This system is used to manage trees and vegetation along all substations to the end of each transmission line.

To complete the Vegetation Management Software project, a more refined scope of work has been developed, resulting in a \$20,000 increase. This increase brings the contract not-to-exceed amount over the direct negotiation threshold for personal services contracts. Management is requesting approval to exceed the direct negotiation threshold by \$16,000. This course of action would be less costly than issuing a solicitation for potentially another consultant to continue the work already performed by MIH, possibly resulting in additional time and money to complete the project.

Staff believes that because of the advantages stated herein and the sole-source nature of this contractor, it is unlikely that continuing with the contract would harm competition or show favoritism in public contracting.

ACTION REQUESTED:

Management requests the Board approve a personal services contract with **Make It Happen** for **IT Project Management Services**. Funds for this work were budgeted for 2018, total department budget for 2018 is \$10,471,000.

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 increase the contract amount with **Maul Foster, & Alongi** for **Remedial Design Engineering Services**.

Board Meeting Date: April 3, 2018
Project Name/Contract#: Remedial Design Engineering Services / 058-2014
Primary Contact: Mike McCann (AIC for Susan Ackerman) Ext. 7379
Purchasing Contact: Sandra Hahn Ext. 7163

Contract Amount:

Original Contract Amount: \$420,000
Additional \$ Previously Approved: \$0
Invoices over last approval: \$0
Percentage over last approval: 0 %
Amount this Request: \$250,000
Resulting Cumulative Total: \$670,000

Contracting Method:

Method of Solicitation: Formal Request for Proposals
If applicable, basis for exemption: N/A
Term of Agreement: July 2015 – December 31, 2019
Option to Renew? No
Approval for purchases "as needed" for the life of the contract No
Proposals/Bids Received (Range): Amendment to existing contract, selected using the Qualification Based Selection Process that limits pricing requests to the highest ranked offeror
Selection Basis: Highest Ranked Proposer

Narrative:

The Board is being asked to approve an increase to the contract with **Maul Foster, & Alongi, Inc.** of Portland, OR for the purchase of supplemental engineering services.

In 2015, staff solicited proposals and a contract was awarded to Maul Foster, & Alongi for Remedial Design Services at the Former Manufactured Gas Plant (MGP). The contract value represented the expected effort in hours at the rates negotiated with the contractor. The actual effort has surpassed the expected effort substantially due to the factors outlined below.

EWEB requires additional hours of consulting and engineering services to complete the remedial design and permitting support due to protracted settlement negotiations with the prior property owners. These negotiations have caused delays and have necessitated additional design and permitting work. Staff propose amending the contract to allow for the completion of the remedial design effort and compliance with the DEQ's Record of Decision for the Site.

Outstanding work includes the finalization of the design report, support during the contractor bid process for the implementation of the remedial work in the uplands and along the riverbank, the preparation of additional quarterly progress reports, full time field oversight and design support during construction, and the preparation of draft and final completion reports.

Staff continue to actively monitor the work required by the contractor to avoid excessive cost overruns by providing clear expectations for deliverables, working with the settlement partners, coordinating with City of Eugene staff and reviewing detailed documentation provided by the contractor with monthly invoices to chart project progress.

ACTION REQUESTED:

Management requests the Board approve an increase to the contract with **Maul Foster & Alongi, Inc.** for **additional remedial design, permitting support and construction oversight.** Based on arrangements with prior property owners, EWEB is responsible for funding 16.33% of the costs for this additional work. Funds for these services were budgeted for 2018.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Construction Contract with **Pacific Excavation, Inc.** for **replacement of the Larkspur Loop water main.**

Board Meeting Date: April 3, 2018

Project Name/Contract#: Larkspur Loop Main Replacement / ITB 013-2018

Primary Contact: Mel Damewood Ext. 7145

Purchasing Contact: Collin Logan Ext. 7486

Contract Amount:

Original Contract Amount: \$230,000

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0 %

Amount this Request: \$230,000

Resulting Cumulative Total: \$230,000

Contracting Method:

Method of Solicitation: Formal ITB

If applicable, basis for exemption: N/A

Term of Agreement: One-Time Purchase

Option to Renew? No

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

Proposals/Bids Received (Range): 7 responses (\$220,000 - \$260,000)

Selection Basis: Lowest responsive and responsible bidder

Narrative:

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

This project will replace approximately 1,800 lineal feet of existing 4-inch cast iron water pipeline (constructed in 1955) with new 8-inch diameter, zinc-coated ductile iron pipe. This existing pipeline and associated services are constructed of obsolete materials prone to breakage and have experienced multiple failures. The project will also replace two existing fire hydrants. The new pipeline, services, and hydrants will prove more reliable and improve the fire-fighting capability in this area.

Staff issued a formal Invitation to Bid in March 2018. Staff received seven bids, the lowest bid did not meet the minimum qualifications and was rejected. The lowest responsive and responsible bid was received from **Pacific Excavation of Eugene, Oregon**. Additional bids were received from Delta Construction of Eugene, Oregon; CG Contractors of Salem, Oregon; Eugene Sand Construction of Eugene, Oregon; H&J Construction of Eugene, Oregon; Wildish Construction of Eugene, Oregon; and Turney Excavating of Keizer, Oregon. If approved, **Pacific Excavation** will provide construction services as specified in the solicitation documents.

ACTION REQUESTED:

Management requests the Board approve a Construction Contract with **Pacific Excavation** for **replacement of the Larkspur Loop water main**. Funds for this work were budgeted for 2018, and are included in the Capital Improvement Plan for 2018. This project was budgeted for under the main replacement umbrella project. The Type 1 Capital Expenditures Budget for 2018 is \$7.7 Million.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with **Piper Jaffray & Co.** for Financial Advisor Services.

Board Meeting Date: April 3, 2018
Project Name/Contract#: Financial Advisor Services / RFP 006-2018
Primary Contact: Sue Fahey Ext. 7688
Purchasing Contact: Ramie Alkire Ext. 7413

Contract Amount:

Original Contract Amount: \$ 250,000 (Over 5 years)
Additional \$ Previously Approved: \$ N/A
Invoices over last approval: \$ N/A
Percentage over last approval: N/A %
Amount this Request: \$ 250,000
Resulting Cumulative Total: \$ 250,000

Contracting Method:

Method of Solicitation: Formal RFP
If applicable, basis for exemption: N/A
Term of Agreement: April 4, 2018 – April 3, 2023
Option to Renew? Annually up to 5 years
Approval for purchases "as needed" for the life of the contract Yes
Proposals/Bids Received (Range): 3 (\$53,000 - \$160,000 fees for expected bond issuances)
Selection Basis: Highest Ranked Proposer

The Board is being asked to approve a new contract with **Piper Jaffray & Co.** of Seattle, WA for Financial Advisor Services. EWEB requires the services of qualified financial advisors to advise and assist EWEB in evaluating its financing programs, assist with the issuance and refunding of bonds, and provide advice concerning management of pension and post-retirement benefit obligations.

In January 2018, EWEB issued a Formal Request for Proposals (RFP) for financial advisor services. Twenty-nine (29) entities reviewed the RFP on the State of Oregon's Procurement site (ORPIN). ORPIN sends out automatic notifications to registered firms interested in the specific type of services in our RFP. Staff also proactively reached out to eight firms in advance of the closing date.

EWEB received three (3) responses: (1) Piper Jaffray & Co. of Seattle, WA; (2) Northwest Municipal Advisors of Bellevue, WA; and (3) Montague DeRose and Associates, LLC of Walnut Creek, CA. The responses were evaluated based on the weighted criteria stated in the RFP which consisted of Firm Qualifications; Staff Qualifications; Firm Approach to Providing Services and Support; References; Sample Contract and Sample Official Statement; and Fees.

Piper Jaffray was found to be responsive and received the highest score in the evaluation of proposals. They are a national firm with a strong specialty in providing financial advisory services to many electric and water utilities in the Pacific Northwest of comparable size and complexity to EWEB. Piper Jaffray also has extensive experience in consulting on management of pension and post-retirement benefits. Staff has successfully negotiated a contract, and has issued a Notice of Intent to Award, pending Board approval.

The total contract amount will be approximately \$250,000 over the total five-year period, including \$125,000 in fees for projected bond issuances that will be paid with bond proceeds, and \$100,000 in fees for other advisory services.

ACTION REQUESTED:

Management requests the Board approve a new contract with **Piper Jaffray & Co.** of Seattle, WA for Financial Advisor Services. The total Finance division budget is \$8.6 million for 2018. This item will be budgeted annually.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Personal Services Contract with **Schnabel Engineering** for **Engineering Services**.

Board Meeting Date: April 3, 2018
Project Name/Contract#: Safety Inspection Report for Carmen-Smith
Primary Contact: Mike McCann (AIC for Susan Ackerman) Ext. 7379
Purchasing Contact: Sandra Hahn Ext. 7163

Contract Amount:

Original Contract Amount: \$ 155,000
Additional \$ Previously Approved: \$ 0
Invoices over last approval: \$ N/A
Percentage over last approval: N/A %
Amount this Request: \$ 155,000
Resulting Cumulative Total: \$ 155,000

Contracting Method:

Method of Solicitation: Informal Request for Proposal
If applicable, basis for exemption: N/A
Term of Agreement: 3/19/2018 – 11/30/2018
Option to Renew? Yes
Approval for purchases "as needed" for the life of the contract No
Proposals/Bids Received (Range): 2 (Qualification Based Selection only allows pricing from highest ranked)
Selection Basis: Qualification Based

Narrative:

The Board is being asked to approve a new contract with **Schnabel Engineering** of Seattle, Washington for the purchase of Engineering Services.

EWEB requires Engineering Services for the 11th Independent Consultant Dam Safety Inspection Report for the Carmen-Smith Project. EWEB is required by the FERC to hire an Independent Consultant (IC) to complete a full dam safety review on a five (5) year interval. Contract objectives are to fulfill the FERC's requirement for an IC to complete the Part 12 Safety Inspection Report, Potential Failure Mode Analysis Report, Supporting Technical Information Documents review and Focused Spillway Analysis.

In November, 2017 staff issued an informal Request for Proposals (RFP). Three companies reviewed the solicitation. EWEB received two proposals from Schnabel Engineering of Seattle, Washington and Gannett Fleming of Phoenix, Arizona. (Findlay Engineering, the third company to review the solicitation, did not submit a proposal, due to downsizing workload). The responses were evaluated based on the evaluation criteria stated in the RFP. Criteria included independent consultant experience, project team experience, project schedule, experience on similar hydro projects, proposer's demonstrated understanding of the project, and professional registrations. Schnabel Engineering was deemed to be responsive and responsible and has earned the highest score as a result of the evaluation criteria.

Staff negotiated a contract with Schnabel Engineering and has issued a notice of Intent to Award the contract to **Schnabel Engineering**, pending Board approval.

ACTION REQUESTED:

Management requests the Board approve a Personal Services Contract with **Schnabel Engineering for Engineering Services**. Funds for these services were budgeted for in 2017. The total Energy Division operations & maintenance budget for 2018 is \$17.6 Million.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to authorize the use of a cooperative contract for various electrical products with **WESCO Distribution**.

Board Meeting Date: April 3, 2018

Project Name/Contract#: Electrical Products / NPP VH11199

Primary Contact: Rod Price Ext. 7122

Purchasing Contact: Ramie Alkire Ext. 7413

Expected Spend: \$500,000 (per year for electrical materials)

Narrative:

The Board is being asked to authorize the use of National Purchase Partners Cooperative Contract VH11199 with WESCO Distribution for various electrical products. EWEB intends to use this contract for the purchase of network transformers, conductor purchases, and occasional as-needed electrical materials for use in our distribution system.

ACTION REQUESTED:

Management requests the Board authorize the use of contracts for various electrical products from **WESCO Distribution** for two years. Funds for these purchases were budgeted for 2018, and will be budgeted annually through the term of the proposed contract.

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 Price Agreement with **Westates Flagman** for **Traffic Control & Flagging Services for Maintenance Work** (non-BOLI).

Board Meeting Date: April 3, 2018

Project Name/Contract#: Traffic Control & Flagging Services / RFP 011-2018

Primary Contact: Rod Price Ext. 7122

Purchasing Contact: Ramie Alkire Ext. 7413

Contract Amount:

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

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval: N/A %

Amount this Request: \$ 750,000

Resulting Cumulative Total: \$ 750,000

Contracting Method:

Method of Solicitation: Formal RFP

If applicable, basis for exemption: N/A

Term of Agreement: April 4, 2018 – April 3, 2023

Option to Renew? Annually up to 5 years

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

Proposals/Bids Received (Range): 1 (\$22.75/hour)

Selection Basis: Highest Scored Proposal

The Board is being asked to approve a new price agreement with **Westates Flagman** for **Traffic Control & Flagging Services for Maintenance Work** (non-BOLI).

In February 2018, EWEB issued a formal request for proposals from qualified flagging companies for traffic control and flagging services to be used during EWEB's maintenance work, and tree pruning and removal work that are NOT subject to Bureau of Labor and Industries (BOLI) prevailing wage rates. Sixty (60) entities were notified, Twenty-three (23) expressed interest, and Nineteen (19) downloaded the RFP documents from the State of Oregon's Procurement site (ORPIN) where the RFP was posted. Staff also proactively reached out to several companies in advance of the closing date. One response was received by Westates Flagman of Springfield, OR. Westates Flagman was determined to be a responsive and responsible proposer.

Staff completed a market survey, and prices ranged from a minimum of \$22.75/hour to \$31/hour. Westates Flagman is offering pricing at \$22.75/hour, within the expected market rate.

Historical procurement data suggests that the total contract amount will be approximately \$750,000 over the total five-year period. The exact amount of services needed is unknown and no guarantee has been made for any specific annual quantity of work. Flagging Services will be requested on an as-needed basis. The annual cost will be within the amount budgeted for that specific year. The contract will be for five years.

ACTION REQUESTED:

Management requests the Board approve a new price agreement with **Westates Flagman** of Springfield, OR for the periodic purchase of **Traffic control & Flagging Services for Maintenance Work**. The Electric Operation and Maintenance budget is \$22.3 million for 2018. This item will be budgeted annually.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Mital, Simpson, and Helgeson
FROM: Sue Fahey, Chief Financial Officer; Deborah Hart, Fiscal Services Supervisor
DATE: April 3, 2018
SUBJECT: PERS Employer Incentive Fund Application
OBJECTIVE: Board Action and Approval of Resolution No. 1812

Issue

The Oregon Legislative Assembly, during their 2018 regular session, established an incentive fund for PERS side accounts. Employers are required to submit an application to reserve matching funds on qualifying lump sum deposits. Those applications will be evaluated as they are received.

Background

Financial Policy 1.4 - Retirement Benefits Funding Policy requires that if the funded status of EWEB's pension plan drops to 70% or less, an assessment of accelerated funding will be performed. The December 31, 2016 actuarial advisory valuation prepared for EWEB by the Oregon Public Employees Retirement System (OPERS) actuary indicated that EWEB's Unfunded Actuarial Liability (UAL) was in excess of \$129 million and funded at 66%.

In December 2017, the Board approved EWEB's entry to the OPERS State & Local Government Rate Pool. The transition liability associated with joining the pool will not be known until late in 2018. However, as of EWEB's 2016 advisory valuation, it was \$25.7 million. Using reserves to pay down that liability would provide an immediate PERS savings. The Board is next scheduled to have a discussion on the use of reserves at the May, 1st Board meeting.

Recent legislative action has created additional opportunity for EWEB to use a portion of cash reserves to further reduce PERS costs. During the 2018 regular session, the Oregon Legislative Assembly established an Employer Incentive Fund for the purposes of providing a match for portions of certain lump sum deposits of employer contributions to a PERS side account. Key provisions include:

- The PERS Board will begin taking applications as soon as they determine that there are sufficient moneys in the Employer Incentive Fund. For the first 180 days after the application window opens, only employers with an unfunded actuarial liability of more than 200% of payroll may apply. As of EWEB's last valuation, EWEB would qualify for

the first round of applications. Qualifying applications will be approved in the order in which they are received.

- The maximum amount that may be reserved by an employer is 5% of the unfunded actuarial liability (UAL) attributable to the employer. As of the 2016 valuation, 5% of EWEB's UAL is \$6.3 million.
- The PERS Board will establish a matching percentage, however it shall not exceed 25% of a qualifying deposit.

Discussion

Depositing funds into a side account with PERS has several favorable benefits for EWEB. It reduces PERS liability, reduces O&M costs, has a positive impact on debt service coverage, reduces rate pressure, and provides an opportunity to earn PERS returns on excess funds which are historically higher than what is available to EWEB due to legal restrictions on deposits. With the new legislation, it also creates an opportunity for EWEB to earn matching funds of up to 25%.

The Public Employees Retirement Board has been directed to establish a process for distributing the moneys in the Employer Incentive Fund established in the 2018 legislative session, the key provisions of which are outlined above. Although all of the details are not yet known, employers will be required to apply to reserve matching funds. Management would like to be prepared to apply for matching funds as soon as the Public Employees Retirement Board begins accepting applications. Prior to depositing any funds, Management will discuss the final rules and provide side account options to the Board. Funds must be deposited no later than July 1, 2023.

Recommendation and Requested Board Action

Management is requesting that the Board approve Resolution No. 1812 authorizing the General Manager to apply to reserve matching funds in the Employer Incentive Fund, up to the maximum amount allowed by statute.

**RESOLUTION NO 1812
APRIL 2018**

**EUGENE WATER & ELECTRIC BOARD
PERS EMPLOYER INCENTIVE FUND APPLICATION TO MAKE DEPOSIT**

WHEREAS, the Eugene Water & Electric Board is the body designated by the Eugene City Charter and City Code to administer the Electric and Water Utilities of the City of Eugene;

WHEREAS, the 2018 Oregon Legislative Assembly adopted Senate Bill 1566 to establish an Employer Incentive Fund for the purpose of matching portions of certain lump sum payments of employer contributions to the Public Employees Retirement System; and

WHEREAS, the Board of Trustees of the Public Employees Retirement System has been directed to establish a process for distributing the moneys in the Employer Incentive Fund; and

WHEREAS, the percentage of a lump sum payment that may be matched by distributions from the fund shall not exceed 25% of the qualifying lump sum payment; and

WHEREAS, the maximum matching amount that may be reserved by a participating public employer is not to exceed the greater of: Five percent of the unfunded actuarial liability attributable to the employer; or \$300,000; and

WHEREAS, EWEB is an OPERS employer, number 2132;

NOW, THEREFORE, BE IT RESOLVED that the Eugene Water & Electric Board, authorizes the General Manager to apply to reserve matching funds up to the maximum amount allowed by statute.

DATED this 3rd day of April, 2018.

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

President

I, ANNE M. KAH, the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its April 3, 2018 Board Meeting.

Assistant Secretary



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Mital, Simpson and Helgeson
FROM: Rod Price, Chief Electric Engineering & Operations Officer and Jeannine Parisi, Customer Relations Manager
DATE: March 23, 2018
SUBJECT: Use of Plaza Fountain for Community Event
OBJECTIVE: Board Action

Issue

Management is requesting a one-time policy exception to host a multi-agency celebration in the fountain plaza on Thursday, April 19.

Background

PeaceHealth and JUMP Bikes are partnering with the City of Eugene, University of Oregon, and Lane Transit District to launch PeaceHealth Rides this spring. PeaceHealth Rides is a network of bike share stations, where users can pick up and drop off publicly available bicycles for one-way trips across the city. PeaceHealth Rides conveniently and affordably complements other transit, providing first- and last-mile connections. The phase one system area will consist of over 35 stations and 300 bikes, one of which will be near the DeFazio pedestrian bridge.

The partners are planning a ‘launch’ event on Thursday April 19, from 11:30 – 1:30. Organizers approached EWEB about using the fountain plaza for the celebration, with use of the North Building meeting rooms in case of bad weather. The plaza is a public place that cannot be reserved, but we do ask community groups to coordinate with us for larger activities using that area. The location makes good sense as part of the launch celebration is to lead participants on bike rides to three different bike share locations (UO, downtown and Whiteaker) and the plaza is a central launching point for this activity.

Discussion

After talking with management, EWEB staff agreed to help with the event and supporting event logistics (parking, meeting room set-up) and provided the organizers sign our standard hold harmless agreement for the plaza. In reviewing this document, staff recognized that there are a number of requirements in the agreement that are in conflict with the event planned stemming from Board Policy SD5, Public Plaza Policy (July 21, 2015). The policy is attached for reference.

Deviations include:

- No amplified sound (the organizers plan a number of speeches from the Mayor and other special guests and a stage with sound equipment, provided by event organizers, is planned)
- No use of EWEB employee parking during work hours (the organizers requested use of the North parking lots for cars and 5 parking spots blocked off for a bike parking area). Note that we allow use of the HQ parking lot during business hours for groups using the North Building rooms so this requirement tied to the plaza is inconsistent with other protocols.
- Responsibility for all garbage/recycling (the organizers are planning to have two food carts parked in the plaza and will bring their own receptacles to collect waste, but asked to use EWEB collection areas so they don't have to haul garbage/recycling off-site).

TBL Assessment

None conducted.

Recommendation

As a public utility that manages this space for the benefit of the community, support for an event hosted by some of our major local agency partners is recommended. While the celebration is during business hours, it largely falls over lunch time and should not be disruptive to business operations or our customers. EWEB would be recognized for its support with the event and Board members are invited to attend as well.

Requested Board Action

Management requests a one-time exception to SD5 – Public Plaza Policy to allow the celebration to occur as described.

Policy Number: SD5
Policy Type: Strategic Direction
Policy Title: Public Plaza Policy
Effective Date: July 21, 2015

The River Edge Public Plaza is a public place for the enjoyment of all. It cannot be reserved and must remain open to the public until 11 p.m. each day, except for closures related to public safety. Any use by organized groups must not infringe upon public access.

For purposes of this policy, an "event" refers to a gathering of 20 or more people for a common purpose.

Conditions of Use

- The River Edge Public Plaza is available for community events excluding for profit commercial use.
- Organizations or groups using this area must complete a "[Hold Harmless Agreement](#)" and review and sign the "[Conditions of Use](#)." Event organizers are required to submit completed forms to EWEB at least five (5) business days prior to the event.
- EWEB parking spaces are not available for use by event participants between 6 a.m. and 6 p.m., Monday through Friday, unless the event falls on a recognized holiday.
- EWEB does not provide furniture or audiovisual equipment of any kind.
- Activities that pose a threat to public safety or damage the plaza are prohibited.
- Discharging of firearms, possession of weapons of any kind and/or use of fireworks is prohibited.
- Motorized vehicles are not permitted in the plaza, unless otherwise authorized.
- Consumption of any alcoholic beverages or illegal substances is not permitted.
- Use of amplified sound systems or noise producing devices which interfere with the working environment of EWEB headquarters and/or disturb other park users is prohibited.
- Engaging in any activity or conduct which is disruptive or interferes with the enjoyment of the plaza by others is prohibited.
- The event organizers will be expected to clean up the site after use. If required, event organizers should arrange for garbage cans, trash removal and portable toilets.
- Putting soap, dye or any other foreign substances in the fountain is strictly prohibited.
- The event organizers shall ensure compliance with local Health and Safety Regulations

Source: Board Approved 11/27/1989, Revised April, 2004, Revised April, 2004, Ratified 04/19/2005, Revised 01/06/15, Revised July 21, 2015 (Resolution No. 1521).