



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Mital, Simpson and Helgeson
FROM: Anne Kah, Executive Assistant
DATE: April 25, 2018
SUBJECT: February 6, 2018 Amended Minutes
OBJECTIVE: Board Action

Issue

During the April 3, 2018 Board Meeting, a motion was approved to request that the Minutes Recorder amend the February 6, 2018 meeting minutes, adding to the comments in the public input section of the agenda. The minutes, as amended, are included in the May 1, 2018 consent calendar.

Requested Board Action

Approve to amend the February 6, 2018 minutes which were previously adopted at the March 6, 2018 Board Meeting.

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
February 6, 2018
5:30 P.M.**

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

Absent: None

Others Present: Sue Fahey, Chief Financial Officer; Deborah Hart, Fiscal Services Supervisor; Chris Jones, Senior Project Manager; Frank Lawson, General Manager; Rod Price, Chief Engineering & Operations Officer

President Brown called the Regular Session to order at 5:29 p.m.

Agenda Check

There were no changes or additions to the Agenda.

Items from Board Members and General Manager

- Commissioner Helgeson apologized for his absence at the January meeting.
- Commissioner Mital announced that he had listened in on the customer phone lines; he encouraged his colleagues to do the same. He said that he had raised the issue of obtaining third-party reviews of EWEB's Capital Plan, and he had been in discussion with staff about moving forward.
- President Brown announced two upcoming Executive Sessions: March 6 at 4:45 p.m., and April 3 at 5 p.m. He thanked staff for informing the Board on proposed carbon cap-and-trade legislation.

Public Input

Bill Kloos of Eugene said he was representing a client who had a pending land-use application from the City of Eugene. He said his client needed a letter of financial commitment from EWEB.

Darlene Kelly of Eugene, and Homes for Good, spoke in favor of the proposed Advanced Metering (AMI) program. She said that her organization would support AMI in the housing they manage.

Cindy Allen of Eugene spoke in opposition to AMI, citing the dangers of RF radiation associated with smart meters. She offered the Board a report put together by the Eugene Medical Advisory Board on the dangers of RF radiation associated with smart meters.

Joe LaFleur of Eugene spoke in opposition to AMI. He cited the negative environmental effects of microwave radiation associated with smart meters.

Dr. Paul Dart of Eugene said that he didn't take particular exception to AMI, but was curious how it would be installed, and how it would work. He suggested the AMI meters not transmit data the utility is not ultimately going to use.

Lisa Arkin of Eugene spoke in opposition to AMI, especially the community impacts of the opt-out feature. She cited job creation as a salient reason to forego AMI.

Kent Mueller of Eugene spoke in opposition to AMI, especially the financial impacts of the opt-out feature. He also cited a concern with EWEB sharing data captured on the smart meters.

Tana Shepard of Eugene, and representing School District 4J, offered the Board an update on the 4J-Bethel-Springfield program. She offered that overall, the districts she represented were working to remain in alignment with the standards across the public education system.

Matt McRae of Eugene spoke in favor of AMI, however he urged the Board to support as little transmission from the smart meters as possible, and to also support as little data sharing/selling as possible. He also said he would like to see EWEB's meetings on the Web.

Webb Sussman of Eugene spoke in favor of AMI, but reminded the Board that it was their responsibility to adequately address customers' health concerns with advanced metering.

Bill Evans of Eugene spoke in opposition to AMI. He cited health concerns and data collection as prominent reasons for his stance.

Maurya Kaarhus of Eugene spoke in opposition to AMI, citing radiation exposure from the smart meters. She said that, according to her research, having a smart meter installed in your home would be tantamount to living directly adjacent to a cellular tower.

Eileen Erdelt of Eugene spoke in opposition to AMI, citing health and safety concerns, especially where local children are concerned. She was concerned for children being exposed to the differing emissions from AMI and other modern technologies; she said she was disgusted that no school in the 4J District was without wifi.

Ingrid Edstrom of Eugene spoke in opposition to AMI, citing mental health, and cancer-causing concerns. She offered that she was affected by radio-type emissions, and was concerned that she would not be able to manually shut off the emissions from a smart meter.

Joshua Korn of Eugene spoke in opposition to AMI, citing the health concerns of smart meters that weren't really pre-market tested. He also cited RF and microwave emissions damaging surrounding infrastructure.

Kathy Ging of Eugene, and Families for Safe Meters, spoke in opposition to AMI. She cited health concerns surrounding the smart meters' transmissions.

Patricia Kortekaas of Eugene spoke in opposition to AMI, citing health concerns. She said as a local physical therapist, she had seen an irritation in some of her patients (including non-Human animals) due to emissions from smart metering.

Bill O'Brien of Eugene spoke in opposition to AMI, citing health concerns. He urged the Board to listen to what scientists have to say about AMI transmissions.

Victor Odlivak of Eugene spoke in opposition to AMI, citing health concerns. He also challenged the Board to eliminate fossil fuels altogether.

Vice President Carlson offered appreciation to everyone who offered testimony. She said she was in favor of the AMI project, as it would offer safety from injury for the EWEB employees on the ground, reading meters. Vice President Carlson added that she felt AMI would improve the way in which the utility dealt with outages, such as those caused by inclement weather.

Commissioner Simpson reminded those present that an advanced meter was not going to be forced upon any customer, since there was a possible opt-out clause in the AMI project. He added that the radiation smart meters would emit was miniscule. To those concerned about the loss of jobs, he offered that EWEB was not in the business of creating jobs; rather it was the utility's duty to deliver pure water and reliable electricity.

Commissioner Helgeson assured those in the audience that he, and the Board itself, considers very carefully the concerns raised by members of the public. He also said that he had done extensive research, and as of yet was unable to find any data, studies, etc. that persuaded him of the severe ill health effects perpetuated by smart meters.

BOARD ACTION ITEMS

Approval of Consent Calendar

MINUTES

1. **January 9, 2018 Regular Session**

CONTRACTS

2. **Crown Technical Systems** - for purchase of Carmen power plant generator switchgear and bus equipment. \$890,000.
3. **Pacific Excavation, Inc.** - for replacement of the Golden Gardens Street water main. \$270,000.

RESOLUTIONS

4. **Resolution No. 1809** - Board Appointments, Committees, Outside Liaisons.
5. **Resolution No. 1810** - Resolution Amending Resolution No. 1324 Regarding Riverfront Surplus Property.

OTHER

6. **2018 Organizational Performance Dashboard.**

Approval of Consent Calendar

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

Items Removed From Consent Calendar

None.

GENERAL BUSINESS ITEMS

State of the Utility Address

President Brown delivered the State of the Utility Address.

Advanced Metering Deployment and Implementation Options, Resolution No. 1811, A Resolution Amending Resolution No. 1322 Regarding Advanced Metering Infrastructure

Mr. Lawson, Mr. Jones, and Mr. Price offered the Board a report and Power Point presentation on advanced metering deployment and implementation options.

Vice President Carlson asked how often smart meters would transmit data.

Mr. Jones said the electric meters by default transmit data once an hour, 24 times per day, and the water meters transmit data six times a day, or once every four hours by default. He said the total transmission time was approximately 2-3 seconds per day, per meter for a typical meter.

Vice President Carlson wished to clarify that the selling of EWEB customer data was strictly prohibited.

Mr. Lawson said he was unsure if it is prohibited, but he knew that EWEB had no desire to sell customer data. He added if the Board wished to tighten up existing policy which could affect customer data, he and the staff would be happy to do it.

Vice President Carlson asked for clarification surrounding the potentiality of fires, and other hazards, with smart meters.

Mr. Jones replied that there were a number of reports in the media of meters correlated with fires. EWEB worked with the vendor, Sensus, to understand what might be causing those problems and the main thing we found that causes meter damage, even

with our current generation - the legacy analog and digital meters, is faulty meter bases. Where the meter is placed on the meter socket there is a lug that goes into some jaws; if the jaws are not tight, some heat can be generated. He said the Sensus residential meters EWEB would be deploying had a feature that would detect high temperatures caused by a faulty meter base, and would cut off the power to protect the customer's property.

Commissioner Helgeson said that he was willing to consider an opt-out approach, rather than an opt-in approach, as long as no burden(s) would be placed on EWEB customers. He stressed the importance of customer communication.

Mr. Lawson stated that it was very important to communicate options to EWEB customers. He said it was impossible to switch from an opt-in system to an opt-out system overnight. Mr. Lawson said EWEB would not seek to charge those customers opting out of AMI for doing so until we really understood the true cost. If there is a cost difference, as a utility we need to be equitable in the costs, but it would be a number of years before we have the data to support what that would look like.

Commissioner Mital offered that in 2013, when AMI was first being discussed, the EWEB Commissioners all elected to have smart meters placed on their own homes so as to experience first-hand any possible situation arising from their use. He reminded those EWEB customers not in favor of AMI, did have the choice to opt out of the AMI program.

Commissioner Simpson asked if the smart meters would be able to profile the load of a specific appliance on the customer side of the meter.

Mr. Jones said they could not.

Commissioner Simpson asked if the analog meter technology currently employed was being phased out.

Mr. Price answered that in general, the analog meters were being phased out. Even if we replaced a meter with a non-smart meter, it would still be electronic.

Commissioner Simpson wanted to know why. He asked if the analog meters could be purchased.

Mr. Price said they could be purchased, but not a lot of them were being made anymore.

Commissioner Simpson asked if staff was considering meter reading charges for the opt-out customer class.

Mr. Lawson said yes, but not anytime soon.

Commissioner Simpson wished to go on record announcing his concurrence with Commissioner Helgeson concerning customer communication.

Mr. Lawson offered that only about 20% of meters in the United States were read manually.

President Brown asked if staff could speak to AMI's role in meeting carbon reduction goals, and how AMI might affect employment.

Mr. Jones replied that the overall deployment plan for AMI was eight years. He stated that currently, EWEB had 22 meter readers, and during the eight years of AMI deployment, that number would be reduced by approximately two meter reader positions per year. Over the past five years, the attrition rate in the meter reading department has been 3-4 people per year. At least six of those people moved on to other positions within EWEB.

Mr. Lawson responded that other than a few exceptions, EWEB's power portfolio consisted mostly of carbon-free resources.

Vice President Carlson wondered how many smart meters in the pilot program had detected customer issues.

Mr. Jones clarified that EWEB didn't have a pilot program; instead, they had been taking opt-in requests from customers. He added that of the first thousand or so homes to opt-in for smart water meters, approximately 10% of those meters detected leaks. Mr. Jones also stated that the electric meters had been transmitting outage data properly.

Commissioner Simpson asked how the smart meters would cut down on the theft of electricity.

Mr. Jones responded that the meters were equipped with a tamper alert feature.

Commissioner Simpson said he'd like staff to provide the Board with the survey in which 75% of EWEB customers were in favor of AMI.

Commissioner Simpson asked how long the batteries of the smart water meters would last.

Mr. Jones said approximately 20 years.

Commissioner Simpson asked if the water meters could detect water pressure data.

Mr. Jones said not yet.

Commissioner Helgeson said that, whether EWEB adopted an opt-in or opt-out to AMI, it was very important to him that customers be given a legitimate choice in the matter, and that they had advanced notification.

Commissioner Mital asked if the Board would still have access to review policies related to AMI.

Mr. Lawson said they would. He added that it was a requirement.

Commissioner Mital stressed the importance of maintaining transparency with EWEB customers throughout the AMI process.

Commissioner Mital asked what would happen if there was early failure of the advanced meters.

Mr. Jones said EWEB's contract with the meter vendor, there was a threshold stating that if more than 1% of the devices fail in the first year, the majority of the cost of replacement/repair would be covered by warranty by the vendor.

Commissioner Mital asked how long the warranty was valid.

Mr. Jones replied 15 years.

Commissioner Mital moved to approve Board resolution 1811 amending Board resolution 1322.

Commissioner Helgeson expressed reservations about the lack of policy language to replace the original principles. He also stressed the crucial nature of customer communication.

President Brown asked if any policy amendments could be unwound at future meetings.

Mr. Lawson said that was correct.

Commissioner Simpson stated that only the authorized account user should be allowed to opt in or out of AMI.

Mr. Lawson agreed.

The motion passed unanimously 5:0

Commissioner Simpson moved to instruct the General Manager to revise applicable EWEB policies impacted and/or related to advanced metering for Board approval.

Commissioner Helgeson moved to amend the previous motion to add the words, "in a manner consistent with the original principles of advanced metering" The amendment passed unanimously 5:0.

The original motion, as amended, passed unanimously.

Break

President Brown called for a break at 8:05 p.m.

Preliminary Use of Reserves

Ms. Fahey and Ms. Hart offered the Board a report and Power Point presentation on preliminary use of reserves. Staff recommendation was that the Board defer action on using any reserves at this time.

Commissioner Simpson asked for clarification on tax exempt advanced refunding.

Ms. Fahey said that advanced refunding related only to paying down bonds early, and it wasn't related to any customer refunds.

Commissioner Simpson wished to go on record in support of the suggested deferral.

Commissioner Mital wondered if a decision about the use of reserves had to be reached at the current meeting.

Ms. Fahey said the presentation at this meeting was Information Only.

Commissioner Mital stated his support for the deferral with the caveat that he would like to entertain a refund to customers exclusively.

President Brown asked, as far as customer refunds were concerned, would the amount of the refund be dependent on the amount paid for utility service.

Ms. Fahey replied that had not yet been determined.

President Brown was concerned with the inequity created when a customer contributing nothing to the surplus receives a refund as well as the customer who did contribute. President Brown asked how much the refund would cost the utility.

Ms. Fahey reported the refund would cost in the \$40,000 range.

President Brown asked if that money could be used to weatherize EWEB's low-income inventory.

Ms. Fahey said that was unknown at this time.

Commissioner Helgeson offered that he too was happy to defer this discussion.

Mr. Lawson said he was looking forward to continuing this discussion with the Board.

The Board reached consensus on deferring the use of reserves discussion.

2017 Fourth Quarter Operating Dashboard/Goals

Mr. Lawson offered the Board a report on the goals of the 2017 Fourth Quarter Operating Dashboard.

Commissioner Mital asked if SAIDI (System Average Interruption Duration Index) numbers spiked during the ice storm the previous winter.

Mr. Lawson said that was correct.

Commissioner Helgeson congratulated Mr. Lawson on the Safety Metric.

Board Wrap Up

Commissioner Mital reported that he sat in on the EWEB phone lines for 90 minutes recently, and that it seemed like call volume had increased. He also said it was important that the Board be made aware of the changes in communication around disconnects. .

Vice President Carlson stated that she had been asking people to get involved with Cascadia Subduction Zone (CSZ) earthquake plans. She mentioned that a member of the 4J School District Board reached out to her in response. Vice President Carlson stressed the importance of sharing as much information as possible with local schools with CSZ earthquake preparedness.

Mr. Lawson said that EWEB was actively disseminating CSZ earthquake preparedness information in local schools.

Vice President Brown said that he would like to be kept in the loop of Pacific Excavation Inc.'s replacement of the Golden Gardens Street water main.

Adjourn

President Brown adjourned the meeting at 8:57 p.m.

Assistant Secretary

President

**EUGENE WATER & ELECTRIC BOARD
EXECUTIVE SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
APRIL 3, 2018
5:15 P.M.**

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

Others present: Frank Lawson, General Manager, Sue Fahey, Chief Financial Officer, Mel Damewood, Chief Water Engineering & Operations Officer, Lena Kostopulos, Chief Human Resources Officer, Matt Barton, Chief Information Officer, Tim O'Dell, Right-of-Way Agent, Lisa McLaughlin, Environmental Supervisor, Mike McCann, Generation Manager, Jared Rubin, Environmental Specialist, Anne Kah, Executive Assistant

EXECUTIVE SESSION:

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.

President Brown adjourned the Executive Session meeting at 5:36 p.m.

Assistant Secretary

President

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
April 3, 2018
5:45 P.M.**

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

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

Absent: None

Others Present: Matt Barton, Chief Information Officer; Rachel Chilton, Communication Specialist; Mel Damewood, Chief Water Engineering & Operations Officer; Sue Fahey, Chief Financial Officer; Frank Lawson, General Manager; Rod Price, Chief Electric Engineering & Operations Officer; Keith Simovic, Moss Adams

President Brown called the Regular Session to order at 5:45 p.m.

Agenda Check

Commissioner Simpson stated he would like to move Agenda item 10, Annual Compensation Review for the General Manager, up in the Agenda, to just after item seven.

Mr. Lawson asked for an additional 15-30 minutes for Agenda item seven, Customer Service Policy Revisions and Advanced Metering, and in turn, a reduction of 15-30 minutes in Agenda item nine, Benchmarking and Review of Capital Improvement Plans.

Commissioner Simpson suggested moving item 10 to just after item six.

Items from Board Members and General Manager

- Commissioner Helgeson reported that he attended the Northwest Public Power Association (NWPPA) Board meeting last month. He also reminded those present that he was up for reelection to a second term on the board of NWPPA.
- Commissioner Simpson reported that he had been studying regional installed wind power capacity. He reported that the uptrend in wind power usage had reached a plateau.
- President Brown reported that he had met with the general manager and staff of Willamalane to work toward a solution to the illegal upriver camping issue. He wondered about the private contractor who recently installed EWEB water lines; he wished to follow up with staff

Mr. Lawson said that was on staff's radar.

President Brown reported that EWEB had obtained the well from the golf course at no cost to the utility.

- Commissioner Mital announced that he was disappointed in local coverage concerning the International Paper (IP) oil spill that was downstream of EWEB's intake.

Vice President Carlson said she was in possession of a response from the State Department to one of her constituents about the spill.

Mr. Lawson said he would like to see the State Department response.

Public Input

Webb Sussman of Eugene was concerned about the IP spill, citing that there should have been safety measures to prevent the spill. He offered that, in his personal experience in another part of the country, there are scores of undocumented outfalls through which pollutants could get into the water supply. Mr. Sussman said that he had found seven-gallon emergency water containers at Bi-Mart that he felt would be more appropriate for EWEB to distribute rather than the ones the utility currently uses.

Zach Mullholland of Eugene suggested the utility have its meetings available online, citing transparency and accessibility to the public.

Isaac McCoy-Sulentic of Eugene addressed the Board concerning climate change and renewable energy. He said he would like to see greater flexibility in where the utility gets its power to distribute. He also suggested a climate-use pricing model.

Kathy Ging of Eugene expressed frustration in the summary-driven way in which EWEB's meeting minutes are recorded. She requested the minutes be revised to include more detail, especially where public comments were concerned.

Commissioner Helgeson said that the minutes taken in the recent past did fall within the guidelines set forth by EWEB, although he felt it reasonable to ask the minutes recorder to go back to the minutes from February 6, and add a few sentences of description in the public comment section therein.

Commissioner Helgeson moved to ask the minutes recorder to redo the February 6 meeting minutes, adding a sentence or two to the comments in the public input section of the agenda.

Vice President Carlson said that she too would like to see the recordings of the meetings posted online.

President Brown warned against the slippery slope created by making these changes, which might lead members of the public to continuously demand their comments be changed in the minutes.

Commissioner Mital agreed with Commissioner Helgeson's motion, citing that AMI was an important issue.

The motion passed 4:1 with Commissioner Simpson voting against.

Approval of Consent Calendar

MINUTES

1.
 - a. **March 6, 2018 Executive Session #1**
 - b. **March 6, 2018 Executive Session #2**
 - c. **March 6, 2018 Regular Session**

CONTRACTS

2. **CDW-G** - for the use of two cooperative contracts for computer hardware, software, and support. \$200,000 (for 2 years).
3. **CVE Technologies** - for the use of a cooperative contract for NetApp hardware and services. \$350,000 (for 2 years).
4. **Make it Happen** - for IT Project Management Services. \$20,000 (resulting cumulative total \$166,000).
5. **Maul Foster, & Alongi Inc.** - for remedial design engineering services. \$250,000 (resulting cumulative total \$670,000).
6. **Pacific Excavation, Inc.** - for replacement of the Larkspur Loop water main. \$230,000.
7. **Piper Jaffray & Co.** - for financial advisor services. \$250,000 (over 5 years).
8. **Schnabel Engineering** - for engineering services. \$155,000.
9. **WESCO Distribution** - for the use of a cooperative contract for various electrical products. \$500,000 (per year for electrical materials, for 2 years).
10. **Westates Flagman** - for traffic control and flagging services for maintenance work (non-BOLI). \$750,000 (over 5 years).

RESOLUTIONS

11. **Resolution No. 1812** - PERS Employer Incentive Fund Application to Make Deposit.

OTHER

12. Use of Plaza for Community Event.

Commissioner Mital pulled Item 3, CVE Technologies.

Approval of Consent Calendar

Commissioner Simpson moved to approve the Consent Calendar without Item 3. The motion passed unanimously 5:0.

Items Removed From Consent Calendar

Commissioner Mital asked for additional information on CVE Technologies and NetApp hardware.

Mr. Barton said that EWEB stores its information on a Storage Area Network (SAN), and this expansion was to address additional storage needs. He clarified that NetApp was the name of a vendor and product EWEB used for digital storage.

Commissioner Mital moved to approve Consent Calendar Item 3. The motion passed unanimously 5:0.

2017 Year-End Audited Financial Statements and Management Letter

Ms. Fahey and Mr. Simovic offered the Board a report and Power Point presentation on 2017 year-end audited financial statements and management letter.

The only non-compliance found in the report was due to the utility not reporting new bank accounts to the State Treasurer within the 3-day required timeframe.

Commissioner Simpson wondered how Mr. Simovic's organization gained access to EWEB's financial records.

Mr. Simovic assured Commissioner Simpson that permission was granted by individuals at EWEB with authorization to do so.

Commissioner Helgeson wanted more information from staff about how EWEB manages its IT Applications permissions. He also wanted to know how EWEB remained current on changes in laws and regulations, and were there any consequences to the utility's late filing of its new bank accounts report.

Ms. Fahey answered that EWEB watches the legislative changes every year, this statute happened to change about eight or nine years ago and EWEB had not opened any new bank accounts since then, and it fell off our radar. She added there was no consequence from the Treasurer's Office.

President Brown wondered if the procedural issues found during the audit were on-going issues that were not detected in the past, or if they were new occurrences specifically, the audit adjustments presented on slide six of the Power Point.

Mr. Simovic replied that the accrued payroll adjustment was a one-off occurrence; and the adjustment concerning closing work orders had been noted from time to time over the past few years during the audits his organization performed of the utility. The one that was found in the recent audit, was a past adjustment. Management has done a lot of work in that area, nothing that they found is material or significant anymore.

Mr. Lawson added that it was at staff's request that Moss Adams looked deeper and with more expertise into the utility's IT issues.

Commissioner Mital asked a process question; he wondered if there was an expectation on EWEB's part that Moss Adams would respond to the Chief Information Officer's explanation of access and controls in WAM, or if it is up to commissioners to decide if they are satisfied with the response to the issue which was raised in the audit.

Mr. Simovic responded that it was for the utility's information, and it would fall to the EWEB Board to decide what actions to take on the matter.

Annual Compensation Review for the General Manager

President Brown announced that the average of comparators for a utility's salary for general managers is roughly \$280,000. He stressed that the Board had an obligation to keep the GM's salary competitive in the industry. President Brown suggested an 8% increase in Mr. Lawson's salary.

Commissioner Helgeson announced that the month previous, the Board had completed the general manager's annual review. He agreed that Mr. Lawson's salary should be brought to the average of the comparators.

Commissioner Simpson offered that Mr. Lawson was leading EWEB in the direction the Board wanted and he not only took instruction well from the Board, he gave good instruction to the Board, which he felt was equally as important. He was in support of bringing Mr. Lawson's salary up to the average of the comparators.

Commissioner Mital reminded those present that the Board was on record to move to increase the general manager's salary to meet the comparator average.

Commissioner Mital moved to increase the general manager's salary by 8%, in order to keep the general manager's salary equal to the average of comparators.

Vice President Carlson offered that the Board had previously promised this pay increase to Mr. Lawson, so they should do so. She expressed reservations with how the

community might perceive such a seemingly high salary, but she assured Mr. Lawson and those present that the 8% increase was warranted.

Commissioner Simpson moved to amend Commissioner Mital's motion to increase the general manager's salary by 10% instead of 8%.

Commissioner Simpson explained that he felt an 8% increase was not sufficient.

Commissioner Helgeson said he was comfortable with the 8% pay increase, but not 10%, as the higher amount was outside of the metric employed by the Board.

The amendment to the motion failed 1:4, with Commissioner Simpson the sole aye vote.

The original motion to increase the general manager's salary by 8%, in order to keep the general manager's salary equal to the average of comparators, passed unanimously 5:0.

Break

President Brown called a break at 7:02 p.m.

Commissioner Simpson left the meeting at 7:02 p.m.

President Brown reconvened the meeting at 7:14 p.m.

Customer Service Policy Revisions and Advanced Metering

Ms. Fahey and Ms. Chilton offered the Board a report and Power Point presentation on customer service policy revisions and advanced metering.

Ms. Fahey asked the following question from the presentation: In general, do the proposed revisions sufficiently capture the 2013 statement of principles concepts?

Commissioner Helgeson stated that he did not see anything in the draft that would be inconsistent with the aforementioned statement of principles.

Vice President Carlson stressed the importance of it not being difficult for EWEB customers to opt out of AMI if they so desired.

Commissioner Mital said he was okay with the customer service language update. He suggested emphasizing privacy, data security, and safety, as he felt that was the point EWEB customers seemed most concerned with. Commissioner Mital suggested more clarity surrounding customers' ability to refuse the installation of a smart meter, citing the fact that the smart meter itself will be installed, but the customer reserves the right to decide whether the meter is in communicating mode or not.

Commissioner Mital offered that the emphasis in the language is on EWEB not selling any data collected from smart meters, but should be clarified to include any data sharing that would occur, and who the data would be shared with.

Vice President Carlson wondered if there was a way to capture a previous conversation which stated that advanced meters would only transmit that data that was absolutely necessary.

Ms. Fahey replied that it was intended to be included under the bullet point Privacy, Data Security, and Safety in the presentation.

Ms. Carlson said she was not sure the bullet point accurately captured what was discussed in the previous conversation she mentioned.

President Brown wondered what data a smart meter would transmit other than that data pertinent to usage billing.

Mr. Lawson said the issue of what data is captured by AMI needed to be addressed head-on by the Board and staff.

Commissioner Mital opined that EWEB needed to be prescriptive in its language surrounding AMI, in order to avoid future difficulties.

Ms. Fahey and Ms. Chilton continued the Power Point, switching the focus to Account Service Decisions.

Commissioner Helgeson asked if the account holder was the individual the utility was in a contractual relationship with.

Ms. Fahey said that was correct.

President Brown asked if the account holder could request the way in which a smart meter is being used.

Ms. Fahey said yes.

The Board concurred that the Account Holder should be the decision-maker as per the use of a smart meter.

Ms. Fahey and Ms. Chilton continued the Power Point, switching the focus to disconnections.

Commissioner Mital wondered if the other utilities used in the data generation of the presentation were public and located in the Pacific Northwest.

Ms. Fahey answered they were.

President Brown was in favor of waiting until a following Monday to interrupt service for non-payment instead of performing disconnections until noon on Fridays.

Commissioner Mital said that he believed AMI would help with disconnects and reconnection.

Vice President Carlson asked if disconnecting/reconnecting service would involve an EWEB vehicle going to the location.

Ms. Fahey said that was correct.

Vice President Carlson said it made more sense to incentivize the customers to install smart meters to alleviate the time and cost of a house call.

Benchmarking and Review of Capital Improvement Plans

Mr. Barton, Mr. Damewood, and Mr. Price offered the Board a report and Power Point presentation on benchmarking and a review of Capital Improvement Plans.

Commissioner Mital noted that in 2013, during a budget crisis, EWEB looked to raise rates significantly, but Operations stepped forward and saved the day by taking approximately \$80 million from the following year's Capital Plan.

Vice President Carlson asked how EWEB benchmarks were different than industry benchmarks.

Mr. Price replied that EWEB's benchmarks were equivalent to industry benchmarks.

Vice President Carlson wondered what the different Levels outlined in the Power point entailed.

Mr. Barton replied that the Level 1, was basically following Best Practices, whereas Level 2—Deep Dive on CIP, Review of O&M Activities, and Asset Management, he felt, would be more accurate for IT.

Mr. Lawson stated EWEB employed several benchmarks already around many different elements of the utility.

Mr. Lawson asked the Board if they would be comfortable with staff bringing back some of the initial benchmarks when they present this year's Capital Plan.

The Board agreed with Mr. Lawson's suggestion.

Correspondence & Board Agendas

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

Board Wrap Up

Vice President Carlson said she wanted more information on recording meetings and posting them online.

Commissioner Helgeson agreed with Vice President Carlson.

Mr. Lawson offered that now EWEB has a new website that could easier facilitate meeting recordings.

Commissioner Mital said that it would be prudent if staff could find a way to not only post meeting audio online, but to index the recordings for ease of use

Adjourn

President Brown adjourned the meeting at 8:46 p.m.

Assistant Secretary

President

**EUGENE WATER & ELECTRIC BOARD
EXECUTIVE SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
APRIL 10, 2018
12:00 P.M.**

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

Others Present: Gretchen Barnes, Cable Huston LLP (via teleconference), Frank Lawson, General Manager; Lisa McLaughlin, Environmental Supervisor; Sue Fahey, Chief Financial Officer, Lena Kostopulos, Chief Human Resources Officer, Matt Barton, Chief Information Officer, Mike McCann, Generation Manager, Joe Harwood, Communications Specialist, Tim O'Dell, Right-of-Way Agent, Mel Damewood, Chief Water Engineering & Operations Officer (via teleconference); Anne Kah, Executive Assistant and Christian Hill, Register Guard

EXECUTIVE SESSION:

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.

President Brown adjourned the Executive Session meeting 12:32 p.m.

Assistant Secretary

President

**EUGENE WATER & ELECTRIC BOARD
SPECIAL MEETING
EWEB BOARD ROOM
500 EAST 4TH AVENUE
April 10, 2018
12:33 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 (via teleconference), John Simpson, Commissioners

Absent: None

Others Present: Gretchen Barnes, Cable Huston LLP (via teleconference), Frank Lawson, General Manager

President Brown called the Special Meeting to order at 12:33 p.m.

Status of Riverfront Property Sale

General Manager Lawson stated that on April 10, 2017 EWEB and the Urban Renewal Agency of the City of Eugene executed a Purchase and Sale Agreement (PSA) for the Riverfront Property. The terms of the Agreement require a closing date no later than today. Mr. Lawson reported that deadline will not be met. He then shared a report of changes which have occurred since the PSA was executed and the current status of negotiations. He asked for specific Board direction and provided three options including authorization for an extension to the deadline; authorization to let the PSA expire or to let the PSA expire and to authorize the General Manager to draft a replacement PSA.

Commissioner Carlson moved to authorize the General Manager to approve an extension of the closing date to one week from today. Ms. Carlson clarified that she will not approve another extension and in the event of renegotiation she will not vote for anything less than market value.

President Brown moved to amend the motion to state that if an extension is granted EWEB requests \$50,000 nonrefundable earnest money which will be applicable to the purchase price at closing and if the transaction does not close, it will be forfeited to the seller.

Ms. Barnes stated that any action must be agreed upon by both parties in writing, and delivered today to avoid termination of the PSA.

Commissioner Helgeson voiced support of option one, offering that including additional terms would further complicate the short time frame.

President Brown called for a vote; the amended motion failed 4-1 with President Brown in favor.

The Board addressed the original motion moved by Commissioner Carlson to authorize the General Manager to extend the closing to one week from today which is April 17.

Commissioner Mital asked Ms. Barnes in her opinion, would it be possible to resolve the issues on the table by Friday?

Ms. Barnes replied yes, however as a courtesy to the title company, who puts the documents together, one week is more reasonable.

Commissioner Mital proposed an amendment to reduce the extension to this Friday the 13th. Discussion ensued.

President Brown called for a vote on motion number 1 as amended to close on April 13, 2018. The motion failed 3-2 (Commissioners Brown and Mital in favor).

The Board returned to the main motion; to authorize the General Manager to approve an extension of the closing date to next Tuesday, April 17.

President Brown called for a vote, the motion passed 4-1, Commissioner Mital opposed.

General Manager Lawson commented that the City Manager must also agree to this extension.

Commissioner Helgeson noted the importance of easements due to very large water transmission lines and high voltage transmission on the property.

President Brown commented that he does not think interpretation of easement is negotiable.

General Manager Lawson stated that the extension is not only for that particular issue. We believe all issues need to be resolved to mutual satisfaction.

President Brown thanked the General Manger, Staff and Legal Counsel for their efforts in this matter.

President Brown adjourned the meeting at 12:53 p.m.

Assistant Secretary

President

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Price Agreement with **Ferguson Waterworks** for **Brass Fittings**.

Board Meeting Date: May 1, 2018

Project Name/Contract#: ITB 012-2018 / Brass Fittings

Primary Contact: Mel Damewood Ext. 7145

Purchasing Contact: Collin Logan Ext. 7426

Contract Amount:

Original Contract Amount: \$860,000 (over five years)

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0 %

Amount this Request: \$860,000 (over five years)

Resulting Cumulative Total: \$860,000 (over five years)

Contracting Method:

Method of Solicitation: Formal Invitation to Bid

If applicable, basis for exemption: N/A

Term of Agreement: Annual

Option to Renew? Yes, up to 5 years

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

Proposals/Bids Received (Range): 3 bids received (\$172,000 - \$198,000 per year)

Selection Basis: Lowest responsive, responsible bid

Narrative:

The Board is being asked to approve a new contract with **Ferguson Waterworks** of Eugene, Oregon for the purchase of Brass Fittings for the Water Utility on an as needed basis.

EWEB Water requires Brass Fittings for component replacements and for fittings in new construction. In March 2018, EWEB issued a formal Invitation to Bid to establish a price agreement for the purchase of Brass Fittings. Three companies responded: Core & Main (Lake Oswego, OR), HD Fowler (Eugene, OR), and Ferguson Waterworks (Eugene, OR). Ferguson Waterworks was determined to be the lowest responsive and responsible bidder.

Historical procurement data suggests that the total contract amount will be approximately \$860,000 over the total five-year period. The actual total dollar amount, however, is unknown and may be more or less than that estimated volume. Purchases will be based on need and not on any specific annual quantity. The annual cost will be within the amount budgeted for that specific year.

If approved, staff will purchase required Brass Fittings at the established prices over the life of the contract. The contract is for one-year with the option to renew for four additional one-year periods.

ACTION REQUESTED:

Staff requests the Board approve a price agreement with **Ferguson Waterworks** of Eugene, OR for the purchase of Brass Fittings for the Water Utility on an as needed basis. These purchase are budgeted through both O&M and capital 2018 approved budgets, the combined Water Division O&M and Water Utility Capital budget for 2018 is \$33.5 Million.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Manager: _____

Board Approval Date: _____

For Contract Awards, Renewals, and Increases

Board Meeting Date: May 1, 2018

Primary Contact: Susan Ackerman Ext. 7185

Contract Amount:

Resulting Cumulative Total: \$ 275,000 (over 5 years)

Selection Basis: Highest ranked offeror based on evaluation criteria

Page 1

In March, 2018 staff issued a Formal Request for Proposals (RFP). EWEB received two proposals from Oregon Woods, Inc., Eugene, OR and Habitat Contracting LLC, Eugene, OR. The responses were evaluated based on the evaluation criteria stated in the RFP. Criteria included company qualifications, experience, references, and fees. Habitat Contracting was deemed to be responsive and responsible and has earned the highest score as a result of the evaluation criteria, chiefly due to their extensive experience with native plant identification, habitat restoration, and experience with GIS mapping.

Staff has negotiated a contract with Habitat Contracting, Inc. and has issued a Notice of Intent to Award, pending Board approval.

ACTION REQUESTED:

Management requests the Board approve a Services Contract with **Habitat Contracting** for vegetation management services. Funds for these services were budgeted for 2018. The total Energy Division operations and maintenance budget for 2018 is \$17.6 million

SIGNATURES:

Project Coordinator: _____

Executive Officer: _____

Purchasing Supervisor: _____

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 **Oregon Woods, Inc.** for **Vegetation Management Services**.

Board Meeting Date: May 1, 2018

Project Name/Contract#: Vegetation Management Services; RFP #020-2018

Primary Contact: Susan Ackerman Ext. 7185

Purchasing Contact: Sandra Hahn Ext. 7163

Contract Amount:

Original Contract Amount: \$ 275,000 (Over 5 years)

Additional \$ Previously Approved: \$

Invoices over last approval: \$

Percentage over last approval: %

Amount this Request: \$ 275,000 (Over 5 years)

Resulting Cumulative Total: \$ 275,000 (Over 5 years)

Contracting Method:

Method of Solicitation: Request for Proposals

If applicable, basis for exemption: NA

Term of Agreement: 6/1/2018 to 5/31/2023

Option to Renew? Yes, up to 5 years

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

Proposals Received (Range): 2 responses, \$41/hour - \$53.75/hour

Selection Basis: Highest ranked offeror based on evaluation criteria

Narrative:

The Board is being asked to approve a new contract with **Oregon Woods** of Eugene, Oregon, for the purchase of vegetation management services.

EWEB requires Vegetation management services along the banks of the Leaburg and Walterville hydroelectric canals and on properties associated with the canals along the McKenzie River. Federal Regulations require EWEB to maintain these canals. This is annual and predictable maintenance work. Due to the steepness and rough terrain of the slopes, there is a high safety/risk factor to this work that requires well trained and experienced workers. Additionally, the crews must have the ability to target (and map) invasive and non-desirable species while supporting the continued establishment of appropriate native species on the canals. It is this combination of technically skilled, yet demanding labor that is required for the long term success of the project, ultimately resulting in lower growing vegetation and lower maintenance costs.

Contracted services include:

- Weed-eating and chain saw work along ten miles of canal banks with approximately 2H:1V to 4H:1V slopes,
- Manage vegetation to meet FERC requirements, and
- Provide GIS mapping on select species or conditions along the project.

In March, 2018, staff issued a Formal Request for Proposals (RFP). EWEB received two proposals, one from Oregon Woods, Inc., Eugene, OR and one from Integrated Resource Management, Philomath, OR. The responses were evaluated based on the evaluation criteria stated in the RFP. Criteria included company's qualifications, experience, references, and fees. Oregon Woods was deemed to be responsive and responsible, offered the lowest rate, and has earned the highest score as a result of the evaluation criteria.

Staff has negotiated a contract with Oregon Woods, Inc. and has issued a notice of Intent to Award the contract to Oregon Woods, pending Board approval.

ACTION REQUESTED:

Management requests the Board approve a Services Contract with **Oregon Woods** for vegetation management services. Funds for these services were budgeted for 2018, and will be budget for future years. The total Energy Division's operations and maintenance budget for 2018 is \$17.6 million.

SIGNATURES:

Project Coordinator: _____

Executive Officer: _____

Purchasing Supervisor: _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve an Equipment Purchase Contract with **Process Solutions, Inc.** for **On-Site Sodium Hypochlorite Disinfection System Equipment**.

Board Meeting Date: May 1, 2018

Project Name/Contract#: Onsite Sodium Hypochlorite Disinfection System Equipment / RFP 015-2018

Primary Contact: Mel Damewood Ext. 7145

Purchasing Contact: Collin Logan Ext. 7426

Contract Amount:

Original Contract Amount: \$1,285,000

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0 %

Amount this Request: \$1,285,000

Resulting Cumulative Total: \$1,285,000

Contracting Method:

Method of Solicitation: Formal Request for Proposal

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): 3 proposals received (\$897,720 - \$1,285,000)

Selection Basis: Formal Evaluation Process

NARRATIVE:

The Board is being asked to approve the purchase of equipment associated with the new disinfection system at the Hayden Bridge Filtration Plant. The equipment includes new brine tanks, three onsite hypochlorite generators, three sodium hypochlorite tanks, five metering pumps, blowers, brine pumps, and 4 water softener pairs.

Currently, the Hayden Bridge Filtration Plant disinfects the drinking water using gas chlorine. Disinfection is the most important process at the treatment plant, it is what ensures that the water is safe to drink. Gas chlorine, while effective at protecting drinking water, by its nature is extremely dangerous and requires special safety precautions, certifications and equipment to maintain a stable and safe environment for the workplace and local surroundings. The trend in drinking water treatment has been to move away from gas systems to either bulk liquid hypochlorite systems or onsite generation systems. This trend has made it so that obtaining gas chlorine has become difficult, there is only one supplier in the western US, which means following a disaster, chlorine will be unavailable and without chlorine the plant cannot produce potable water and will need to shut down.

In 2014, staff, working with Jacobs (formerly CH2M Hill), completed a Disinfection Evaluation to replace the gas chlorine disinfection system because gas chlorine is increasingly difficult to find and because of the safety risks. The evaluation included a triple bottom line alternatives analysis that looked at upgrading the existing gas chlorine system, converting the system to a bulk liquid hypochlorite system, and replacing the existing system with a new system where sodium hypochlorite (liquid chlorine) is generated on-site using a mix of water from the plant and salt. Jacobs' recommended moving forward with onsite generation of sodium hypochlorite because it is the most reliable and resilient solution. In addition, it is much safer than both gas and bulk liquid hypochlorite.

In 2017, staff began a preliminary and detailed design project with Jacobs to install an onsite generation system at the plant. In addition to the design of the on-site generation equipment, the project includes a new building to house the equipment. Final design for the building will be complete in the beginning of May 2018 with a construction contract

being submitted to the board for approval in summer of 2018.

The on-site generators, chemical storage tanks, and metering pumps can all potentially have long lead times and can vary in quality as well as price. In order to ensure that the system is operating prior to the 2019 peak season, staff made the decision to move forward with pre-purchasing these long lead time items.

Staff issued a Formal Request for Proposals in March, 2017. EWEB received three proposals from WM. H. Reilly & Co. (Portland, OR), PumpTech (Canby, OR), and Process Solutions, Inc. (Vancouver, WA). After evaluating the proposals for their ability to meet the minimum qualifications, how the equipment would fit in the new building, redundancy, safety, availability of service and parts, warranty, references and costs, Process Solutions, Inc. was determined to be the highest ranked offeror based on the evaluation criteria. The advantages of the Process Solutions, Inc. system is that it can run at a reduced capacity during maintenance and repair activities, reference checks indicated that service and parts are readily available reducing downtime, and the system, in the opinion of the evaluation team, seemed to be the safest to operate. The lowest cost option was also the lowest ranked option. The metering equipment provided did not meet the specification requirements, the manufacturer has less than 60 installations worldwide of the size or larger than what is required at EWEB, and reference checks indicated that there are reliability issues and problems getting support and parts resulting in the system having long down times. The middle priced option has a large number of similar sized installations worldwide, however a reference check for a system in Oregon indicated that parts take a long time to receive.

In summary, the evaluation team prioritized that redundancy and reliability were the most important aspects of the system and are recommending moving forward with the purchase of the Process Solutions, Inc system because the evaluation team deemed it is the most reliable and redundant system.

ACTION REQUESTED:

Management requests the Board approve the purchase of the On-Site Generation Equipment from Process Solutions, Inc. Funds for this equipment were budgeted for 2018, and are included in the Capital Improvement Plan for 2018. The Type 2 Capital Expenditures Budget for 2018 for this project is \$3,183,000.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Manager: _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Construction Contract with **Wildish Construction Company** for the **Crenshaw 800 Pump Station Replacement**.

Board Meeting Date: May 1, 2018

Project Name/Contract#: Crenshaw 800 Pump Station Replacement / ITB 014-2018

Primary Contact: Mel Damewood Ext. 7145

Purchasing Contact: Collin Logan Ext. 7426

Contract Amount:

Original Contract Amount: \$187,000

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0 %

Amount this Request: \$187,000

Resulting Cumulative Total: \$187,000

Contracting Method:

Method of Solicitation: Formal Invitation to Bid

If applicable, basis for exemption: N/A

Term of Agreement: Completion date is August 30, 2018

Option to Renew? No

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

Proposals/Bids Received (Range): 3, \$186,300-\$486,825

Selection Basis: Lowest bid from most responsive, responsible bidder

NARRATIVE:

The Board is being asked to approve a new Construction Contract with Wildish Construction Co. for upgrades to the Crenshaw 800 Pump Station.

In 2017, the City of Eugene approved development for the Wood Stone Ridge and Skycastle Subdivisions located at the base of Gillespie Butte. These developments require an upgraded water pump station with capacity sufficient to provide domestic flow to the Wood Stone Ridge and Skycastle Subdivisions and fire flow to the Skycastle Subdivision.

The upgraded pump station will include:

- Pump station equipment, construction of a concrete slab and retaining wall, and electrical equipment; and
- Sidewalks and planting/screening as required by the City of Eugene.

Approximately 95% of the costs for the new pump station are being provided by the developers with the costs allocated based on the respective water service connections.

Staff issued a Formal Invitation to Bid in March, 2018 and EWEB received three bids from: Bateson Enterprises, LLC (Roseburg, OR), Wildish Construction Co. (Eugene, OR), and Stettler Supply and Construction (Salem, OR). Wildish Construction Co. was the lowest responsive and responsible bidder.

ACTION REQUESTED:

Management requests the Board approve a Construction Contract with Wildish Construction Co. for the upgrades of the Crenshaw 800 Pump Station. Funds for this work were budgeted for 2018, and are included in the Capital Improvement Plan for 2018. The Water Utility Capital Budget for 2018 is \$14.6 Million.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Manager: _____

Board Approval Date: _____



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Mital, Simpson and Helgeson
FROM: Michael McCann, Generation Manager
Lisa McLaughlin, Environmental and Property Supervisor
DATE: April 25, 2018
SUBJECT: Resolution No. 1808 - Conveyance of Park Property to City of Eugene
OBJECTIVE: Board Action

Background

Resolution No. 1808 will authorize the conveyance of the park property that is adjacent to the Riverfront Redevelopment Property to the City of Eugene.

Requested Board Action

Approve Resolution No. 1808.

Redevelopment Site Boundary without ROFR Properties; with Access Easement and PLA Boundary



Orthophotography: 2017
Caution: This map is based on imprecise source data, subject to change, and for general reference only.



**RESOLUTION NO. 1808
MAY 2018**

**EUGENE WATER & ELECTRIC BOARD
CONVEYANCE OF PARK PROPERTY TO CITY OF EUGENE**

WHEREAS, the Eugene Water & Electric Board by and through the City of Eugene (“EWEB”) owns real property along the Willamette River in proximity to downtown Eugene fully described in Exhibit A (the “Park Property”),

WHEREAS, EWEB and the City of Eugene have executed a Memorandum of Understanding dated February 25, 2014 (the “2014 MOU”), attached as Exhibit B, expressing a mutual intention to have the Park Property preserved by the City of Eugene establishing a park for public use and enhancing access to the Willamette River frontage,

WHEREAS, EWEB has authority pursuant to ORS 271.330(3) to transfer real property for the creation of open space, parks or natural areas for perpetual public use,

WHEREAS, EWEB is able to preserve necessary property rights for its existing and planned utility infrastructure while also preserving the land for open space, park and natural areas by transfer to the City of Eugene,

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

Subject to the contingencies of the 2014 MOU, the General Manager or his delegee is directed to finalize the terms and conditions of the transfer of the Park Property to the City of Eugene for the creation of a park along the Willamette River for perpetual public use in accordance with ORS 271.330(3), reserving all rights necessary for EWEB’s existing and planned utility infrastructure, and thereafter execute all documents necessary to effect the transfer of the Park Property for the dedicated purpose.

Dated this 1st day of May 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 May 1, 2018 Board Meeting.

Assistant Secretary

First Amendment to MEMORANDUM OF UNDERSTANDING

BETWEEN: The City of Eugene

(City)

AND: Eugene Water and Electric Board

(EWEB)

RECITALS

- A.** On March 9, 2012, City and EWEB entered into a Memorandum of Understanding ("the MOU") to continue collaboration with respect to redevelopment of the Riverfront Property.
- B.** In July 2013, the Eugene City Council adopted Ordinance No. 20513, implementing the land use components of the EWEB Riverfront Master Plan for the redevelopment of EWEB's twenty-seven acres of Downtown Riverfront Property. The adopted code provisions and the Master Plan identify a portion of the riverfront for cultural landscape and open space.
- C.** The parties desire that the portion of the Riverfront Property generally identified in Exhibit A, attached hereto, continues to be publicly owned and be developed and maintained as a public park for the use and enjoyment of the public ("park property").
- D.** Both parties recognize that development of the park property is intended to enhance public access to the riverfront as well as create a valuable amenity to adjacent future development. It is the intent that park property enhancements occur concurrent with the first private development of the adjacent Riverfront Property, or within five years, whichever is sooner.
- E.** The parties recognize that actual transfer of the park property would require parcelization and a legal description which would most appropriately occur once a developer(s) submit proposed designs. Consequently, the parties agree to defer defining the precise boundary between the park area and the developed area to a later date.
- F.** The parties therefore amend the previous MOU to provide certainty that the park property will remain in public ownership and set forth a general timeline for the future development of the park property, including but not limited to improved pathways, lighting, plantings, furnishings and interpretive amenities.

AGREEMENT

1. Contingent upon the appropriation of the necessary funds, City will fund not less than \$3 million of improvements to the riverfront park property consistent with the master plan. Contingent on the appropriation of that \$3 million, EWEB shall deed to City for a price of \$1.00 (one dollar) the approximately 3 acre park property generally identified in Exhibit A, and shall provide not less than \$500,000 to City for the maintenance of that park property. At EWEB's election, the \$500,000 may be paid over a period of up to 10 years (not less than \$50,000 per year), with the first payment made no later than the completion of the park development.
2. Appropriate easements, deed restrictions and covenants will be defined as necessary at the time of property transfer to help ensure park uses are consistent with the objectives of the master plan and for EWEB to retain sufficient utility and access easements.

CITY OF EUGENE

By: _____


Jon R. Ruiz
City Manager

Date: _____

2/25/14

EUGENE WATER & ELECTRIC BOARD

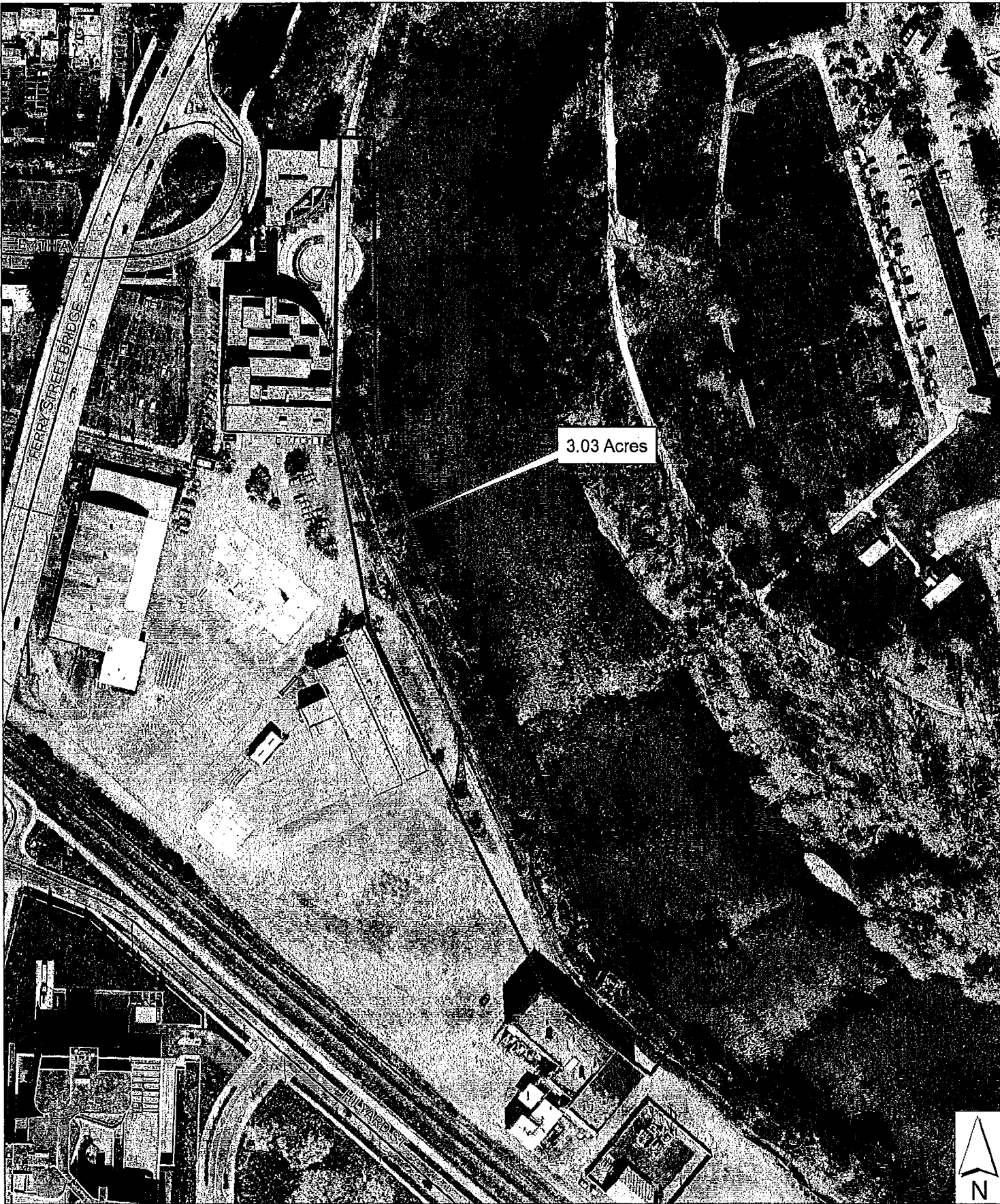
By: _____


Roger Gray
General Manager

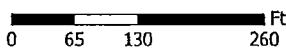
Date: _____

2.25.14

EXHIBIT A



Legend



Caution:
This map is based on imprecise
source data, subject to change,
and for general reference only.

<Map Date Here>





MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Mital, Simpson, and Helgeson

FROM: Susan Ackerman, Chief Energy Officer; Matthew Schroettig, Power Resources Counsel

DATE: May 2, 2018

SUBJECT: Replacement of EWEB Open Access Transmission Tariff (OATT)

OBJECTIVE: Board Approval

Issue

EWEB currently provides electric transmission service at the wholesale level as detailed in its Open Access Transmission Tariff (OATT). EWEB's OATT has historically been patterned after OATT tariffs required of FERC-jurisdictional utilities.

Given the complexity of maintaining a FERC-jurisdictional equivalent, or *pro forma*, tariff, EWEB is currently working to replace its OATT with a Transmission Operations Policy. This will in no way change the rights or obligations of any of EWEB's existing transmission customers, and will not modify the provision of transmission service across EWEB's limited transmission system. Transmission service, if and when requested, will continue to be offered at cost-based rates.

Background

Though EWEB is not a FERC-jurisdictional utility pursuant to Section 201(f) of the Federal Power Act, it voluntarily chose to model its transmission tariff on the FERC *pro forma* to provide transmission on a non-discriminatory basis and to provide consistency with other transmission serving entities. This ensured that EWEB would have the ability to purchase transmission from any FERC-jurisdictional transmission entities on a reciprocal non-discriminatory basis, under the standard known as "reciprocity." However, at no point has EWEB filed its OATT with FERC for approval or to request a determination that its OATT be granted reciprocity. As a result, in order to modify its transmission policies it is not necessary for EWEB to withdraw its tariff or provide any notice to FERC prior to doing so.

Since EWEB adopted its OATT, FERC requirements for maintaining a *pro forma* OATT have changed markedly. In its 2007 Order No. 890, FERC reformed its *pro forma* OATT to among other things, require greater transparency in the calculation of available transfer capability, open and coordinated planning of transmission systems, and standardization of charges for generator and energy imbalance services. The Commission also revised various policies governing network resources, rollover rights and reassignments of transmission capacity. It was not practical for EWEB

to adopt many of these changes given its limited transmission system, and so much of EWEB's original tariff language remains in place today. Understanding that, and following in the footsteps of a number of non-FERC jurisdictional utilities with limited transmission systems, EWEB will propose to the Board to replace its OATT with a Transmission Operations Policy.

Discussion

Though the language of the FERC *pro forma* has evolved, the means of satisfying the FERC requirement for reciprocity (i.e., granting, and being granted, access to transmission on a non-discriminatory basis) have not changed. In order for EWEB to continue to take advantage of open access on a public utility's system, it remains subject to the reciprocity condition set forth in Order No. 890. Specifically:

“(A) non-public utility that owns, controls, or operates transmission and seeks transmission service from a public utility must either satisfy its reciprocity obligation under a bilateral agreement, seek a waiver of the OATT reciprocity condition from the public utility, or file a safe harbor tariff with the Commission.”¹

Historically, when service was requested, EWEB entered into bilateral agreements with its transmission customers based on the conditions set forth in its OATT. That process will not change under the new policy; EWEB will continue to meet the above reciprocity condition through bilateral agreements with its transmission customers based on the conditions set forth in its forthcoming Transmission Operations Policy.

The Transmission Operations Policy will be included in the Customer Services Policies. It will detail EWEB's intent to provide transmission service on a non-discriminatory basis, in accordance with the terms of EWEB's Transmission Services Policy, and at prices based on EWEB's costs. EWEB's Transmission Services Policy will be available upon request, and will include the legal and technical requirements for a customer's application for, and implementation of, a Transmission Services Agreement with EWEB.

Additionally, in lieu of offering both “firm” and “non-firm” transmission service, with this change EWEB will offer one service – Point to Point Transmission Service – on either a short or long-term basis. This will simplify operations going forward, and is in line with our current and expected customer needs.

This change will allow EWEB to simplify its public policies considerably, resulting in added clarity to transmission customers and customer owners, while maintaining the ability to offer transmission service to third parties consistent with FERC mandates.

Requested Board Action

Approval of both the Transmission Operations Policy and the Transmission Services Policy.

1 Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 191.

EUGENE WATER & ELECTRIC BOARD
TRANSMISSION SERVICES POLICY



MAY 2, 2018

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I. COMMON SERVICE PROVISIONS

1 Definitions

- 1.1 **Ancillary Services:** Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining the reliable operation of EWEB's Transmission System in accordance with Good Utility Practice.
- 1.2 **Annual Transmission & Transformation Costs:** The total annual cost of the Transmission System for the purpose of calculating the rates for Point-to-Point Transmission Service specified in Schedules 2, 2A, and 4.
- 1.3 **Application:** A request by an Eligible Customer for transmission service pursuant to the provisions of the Transmission Services Policy.
- 1.4 **Commission:** The Federal Energy Regulatory Commission.
- 1.5 **Completed Application:** An Application that satisfies all of the information and other requirements of the Policy, including any required deposit.
- 1.6 **Balancing Authority Area:** The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.
- 1.7 **Curtailment:** A reduction in transmission service in response to a transmission capacity shortage as a result of system reliability conditions.
- 1.8 **Delivering Party:** The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.
- 1.9 **Designated Agent:** Any entity that performs actions or functions on behalf of EWEB, an Eligible customer, or the Transmission Customer.
- 1.10 **Eligible Customer:** (i) Any electric utility (including EWEB and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under this Policy. Such entity is eligible only if the service is provided pursuant to a state requirement that EWEB offer the unbundled transmission service, or pursuant to a voluntary offer of such service by EWEB. (ii) Any retail customer taking unbundled transmission service pursuant to a state requirement that EWEB offer the transmission service, or pursuant to a voluntary offer of such service

by EWEB, is an Eligible Customer.

- 1.11 Eugene Water & Electric Board (EWEB):** A municipal utility owned by the City of Eugene, Oregon, acting by and through the Eugene Water & Electric Board of Commissioners (hereinafter referred to as the Regulatory Authority), and providing transmission service pursuant to this Policy.
- 1.12 Facilities Study:** An engineering study conducted by EWEB to determine the required modifications to EWEB's Transmission System, including the cost and scheduled completion date for such modifications that will be required to provide the requested transmission service.
- 1.13 Good Utility Practice:** Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.
- 1.14 Load Shedding:** The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations.
- 1.15 Long-Term Point-To-Point Transmission Service:** Point-To-Point Transmission Service under Part II of the Policy with a term of one year or more.
- 1.16 Native Load Customers:** The wholesale and retail power customers of EWEB on whose behalf EWEB, by and through the authority of its Board of Commissioners, has undertaken an obligation to construct and operate EWEB's system to meet the reliable electric needs of such customers.
- 1.17 Network Upgrades:** Modifications or additions to transmission-related facilities that are integrated with and support

EWEB's overall Transmission System for the general benefit of all users of such Transmission System.

- 1.18 Open Access Same-Time information System (OASIS):** The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.
- 1.19 Part I:** Policy Definitions and Common Service Provisions contained in Sections 2 through 12.
- 1.20 Part II:** Policy Sections 13 through 20 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- 1.21 Parties:** EWEB and the Transmission Customer receiving service under the Policy.
- 1.22 Point(s) of Delivery:** Point(s) on EWEB's Transmission System where capacity and energy transmitted by EWEB will be made available to the Receiving Party. The Point(s) of Delivery shall be specified in the Service Agreement for Point-To-Point Transmission Service.
- 1.23 Point(s) of Receipt:** Point(s) of interconnection on EWEB's Transmission System where capacity and energy will be made available to EWEB by the Delivering Party. The Point(s) of Receipt shall be specified in the Service Agreement for Point-To-Point Transmission Service.
- 1.24 Point-To-Point Transformation Service:** The reservation and transformation of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Policy.
- 1.25 Power Purchaser:** The entity that is purchasing the capacity and energy to be transmitted.
- 1.26 Receiving Party:** The entity receiving the capacity and energy transmitted by EWEB to Point(s) of Delivery.
- 1.27 Regional Transmission Group (RTG):** A voluntary organization of transmission owners, transmission users, and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.



- 1.28 Regulatory Authority:** EWEB's locally elected Board of Commissioners, who are vested by law with the authority to regulate EWEB's utility activities.
- 1.29 Reserved Capacity:** The maximum amount of capacity and energy that EWEB agrees to transmit for the Transmission Customer over EWEB's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.
- 1.30 Service Agreement:** The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and EWEB for transmission service.
- 1.31 Service Commencement Date:** The date EWEB begins to provide service pursuant to the terms of an executed Service Agreement, or the date EWEB begins to provide service in accordance with Section 14.3.
- 1.32 Short-Term Point-To-Point Transmission Service:** Point-To-Point Transmission Service under Part II of the Policy with a term of less than one year.
- 1.33 System Impact Study:** An assessment by EWEB of (i) the adequacy of the Transmission System to accommodate a request for Transmission Service pursuant to this Policy and (ii) whether any additional costs may be incurred in order to provide transmission service, e.g. Transformation Service charges.
- 1.34 Transmission Customer:** Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that EWEB provide transmission service. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II of this Policy.
- 1.35 Transmission Provider:** The Eugene Water & Electric Board (EWEB), which provides transmission service under this Policy.
- 1.36 Transmission Provider's Monthly Transmission System Peak:** The maximum usage of EWEB's Transmission System in a calendar month.
- 1.37 Transmission Service:** Point-To-Point Transmission Service provided under Part II of this Policy.
- 1.38 Transmission System:** The facilities owned, controlled or operated

by EWEB that are used to provide transmission service.

2 Initial Allocation and Renewal Procedures

- 2.1 Initial Allocation of Available Transmission Capability:** For purposes of determining whether existing capability on EWEB's Transmission System is adequate to accommodate a request for service, all Completed Applications for new transmission service received during the initial sixty (60) day period commencing with the effective date of the Policy will be deemed to have been filed simultaneously. A fair and impartial lottery will be conducted by EWEB to assign priorities for Completed Applications filed simultaneously. All Completed Applications for transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.
- 2.2 Reservation Priority For Existing Service Customers:** Existing service customers with a contract term of one-year or more, have the right to continue to take transmission service from EWEB when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from EWEB or elects to purchase capacity and energy from another supplier. If at the end of the contract term, EWEB's Transmission System cannot accommodate all of the requests for transmission service the existing service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate, as established by EWEB, for such service.

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within EWEB's transmission system. EWEB shall provide Scheduling, System Control and Dispatch service as part of its point-to-point transmission services provided hereunder. Other Ancillary Services may be provided pursuant to a Service Agreement Exhibit specifying the applicable rates, terms and conditions for such services.



For Ancillary Services that EWEB is unable to provide because it is not a Balancing Authority, EWEB may act as the Transmission Customer's agent to secure these Ancillary Services from the Balancing Authority. The Transmission Customer may elect to (i) have EWEB act as its agent, (ii) secure the Ancillary Services directly from the Balancing Authority, or (iii) secure the Ancillary Services from a third party or by self-supply when technically feasible.

4 Open Access Same-Time Information System (OASIS)

EWEB is not a participant in the OASIS system at this time.

5 Tax-Exempt Bonds

5.1 Facilities Financed by Tax-Exempt Bonds: EWEB utilizes state and federal income tax-exempt financial instruments on an ongoing basis to fund the ownership and operation of its transmission system. Notwithstanding any other provision of this Policy, EWEB shall not be required to provide transmission service to any Eligible Customer if the provision of such transmission service would jeopardize the tax-exempt status of any bond(s) used to finance EWEB's facilities that would be used in providing such transmission service.

6 Reciprocity

A Transmission Customer receiving transmission service agrees to provide comparable transmission service that it is capable of providing to EWEB on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate affiliates. A Transmission Customer that is a member of a power pool or Regional Transmission Group also agrees to provide comparable transmission service to the members of such power pool and Regional Transmission Group on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service, but also to all parties to a transaction that involves the



use of transmission service, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

7 Billing and Payment

- 7.1 Billing Procedure:** No later than the 10th day of each month, EWEB shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Policy during the preceding month. The invoice shall be paid by the Transmission Customer by the 20th day of each month. All payments shall be made in immediately available funds payable to EWEB, or by wire transfer to a bank named by EWEB.
- 7.2 Interest on Unpaid Balances:** Interest on any unpaid amounts shall be equal to the prime rate value published in the Wall Street Journal on the first business day that the balance became due and payable. Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by EWEB.
- 7.3 Customer Default:** In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to EWEB on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after EWEB notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, EWEB may initiate a termination of service according to its established service termination procedures, but shall not terminate service until the customer has been contacted. In the event of a billing dispute between EWEB and the Transmission Customer, EWEB will continue to provide service under the Service Agreement as long as the Transmission Customer (i)

continues to make all payments not in dispute, and (ii) pays the portion of the invoice in dispute when due, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then EWEB may provide notice to the Transmission Customer of its intention to suspend service.

8 Accounting for EWEB's Use of Transmission Services

EWEB shall record the following amounts, as outlined below.

- 8.1 Transmission Revenues:** Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of the Policy.
- 8.2 Study Costs and Revenues:** Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which EWEB conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including making Third- Party Sales; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing.

9 Regulation by the EWEB Board of Commissioners

EWEB is regulated by a locally-elected Board of Commissioners (the "Regulatory Authority") and is exempt from the jurisdiction of the Federal Energy Regulatory Commission under Sections 205 and 206 of the Federal Power Act.

Nothing contained in the Policy or any Service Agreement shall be construed as affecting in any way the right of EWEB's Regulatory Authority to unilaterally make a change in the rates, terms and conditions, charges, classifications of service, Service Agreements, rules or regulations associated with the transmission service provided hereunder.

Nothing contained in the Policy or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service to exercise its rights to

be heard by the EWEB's Regulatory Authority in a public process.

10 Force Majeure and Indemnification

10.1 Force Majeure: An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither EWEB nor the Transmission Customer will be considered in default as to any obligation under this Policy if prevented from fulfilling the obligation due to an event of Force Majeure.

However, a Party whose performance is hindered by an event of Force Majeure shall give prompt written notice of such fact to the other party, and shall exercise due diligence to remove such hindrance with all reasonable dispatch. In no case shall the unavailability of funds be deemed to be a Force Majeure event.

10.2 Indemnification: To the extent allowed by law, the Transmission Customer shall at all times indemnify, defend, and save EWEB and its Regulatory Authority harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from EWEB's performance of its obligations under this Policy on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing.

11 Creditworthiness

For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, EWEB may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices. In addition, EWEB may require the Transmission Customer to provide and maintain in effect during the term of the Service Agreement, an unconditional and irrevocable letter of credit as security to meet its responsibilities

and obligations, or an alternative form of security proposed by the Transmission Customer and acceptable to EWEB and consistent with commercial practices established by the Uniform Commercial Code that protects EWEB against the risk of non-payment.

12 Dispute Resolution Procedures

- 12.1 Internal Dispute Resolution Procedures:** Any dispute between a Transmission Customer and EWEB involving transmission service (excluding applications for rate changes or other changes to the Policy, or to any Service Agreement entered into under the Policy, which shall be presented directly to the Regulatory Authority for resolution) shall be referred to a designated senior representative of EWEB and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon] by mutual agreement, such dispute may be presented to EWEB's Regulatory Authority for consideration and resolution. If the parties remain unable to resolve the dispute following consideration by the Regulatory Authority, and the Regulatory Authority agrees to allow external arbitration, it may be resolved in accordance with the external arbitration procedures set forth below.
- 12.2 External Arbitration Procedures:** Any external arbitration initiated and authorized by the Board shall be conducted according to the applicable regional transmission association's established Alternative Dispute Resolution procedures. Each of the Parties shall have an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable rules.
- 12.3 Arbitration Decisions:** The arbitrators shall be authorized only to interpret and apply the provisions of the Policy and any Service Agreement entered into under the Policy and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having



Jurisdiction. The final decision of the arbitrators must also be reviewed and approved by EWEB's Regulatory Authority if it affects jurisdictional rates, terms and conditions of service or facilities.

- 12.4 Costs:** Each Party shall be responsible for its own costs, including attorney's fees, incurred during the arbitration process and a proportionate share of common costs. The cost of the arbitrators shall be borne by the party whose proposal is not accepted by the arbitrator(s).

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

EWEB will provide Point-To-Point Transmission Service pursuant to the applicable rates, terms and conditions of this Policy. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transmission of such capacity and energy to designated Point(s) of Delivery.

13 Nature of Point-To-Point Transmission Service

- 13.1 Term:** The minimum term of Point-To-Point Transmission Service shall be one (1) hour, and the maximum term shall be specified in the Service Agreement.
- 13.2 Reservation Priority:** Long-Term Point-To-Point Transmission Service shall be available on a first-come, first-served basis, i.e. in the chronological sequence in which each Transmission Customer has reserved service. Reservations for Short-Term Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction. If the Transmission System becomes oversubscribed, requests for longer term service may preempt requests for shorter term service up to the following deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transmission capability is insufficient to satisfy all Applications, an Eligible Customer with a reservation for shorter term service has the right of first refusal to match any longer term reservation before losing its reservation priority. A longer term competing request for Short-Term Point-To-Point Transmission

Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 13.8) from being notified by EWEB of a longer-term competing request for Short-Term Point-To-Point Transmission Service. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Policy. Point-To-Point Transmission Service will always have a reservation priority over Point-To-Point Transmission Service. All Long-Term Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers. Reservation priorities for existing service customers are provided in Section 2.2.

- 13.3 Use of Transmission Service by EWEB:** EWEB will be subject to the rates, terms and conditions of Part II of the Policy when making Third-Party Sales under (i) agreements executed on or after January 1, 1998. EWEB will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.
- 13.4 Service Agreements:** EWEB shall offer a standard form Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Point-To-Point Transmission Service. EWEB shall offer a standard form Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Point-To-Point Transmission Service. Executed Service Agreements that contain the information required shall be administered by EWEB.
- 13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs:** In cases where EWEB determines that the Transmission System is not capable of providing Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers and other Transmission Customers taking Point-To-Point Transmission Service, or (2) interfering with EWEB's ability to meet prior contractual commitments to others, EWEB will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 14.4. The

Transmission Customer must agree to compensate EWEB for any necessary transmission facility additions pursuant to the terms of Section 20. To the extent EWEB can relieve any system constraint more economically by redispatching EWEB's resources than through constructing Network Upgrades, it shall do so, provided that the Eligible Customer agrees to compensate EWEB pursuant to the terms of EWEB's Interconnection Standard. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis will be specified in the Service Agreement prior to initiating service.

- 13.6 Curtailment of Transmission Service:** In the event that a Curtailment on EWEB's Transmission System, or a portion thereof, is required to maintain reliable operation of such system, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, EWEB will curtail service to Transmission Customers taking Point-To-Point Transmission Service on a basis comparable to the curtailment of service to EWEB's Native Load Customers. When EWEB determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Transmission Service, the Transmission Customer shall make the required reductions upon request of EWEB. However, EWEB reserves the right to Curtail, in whole or in part, any Transmission Service provided under the Policy when, in EWEB's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. EWEB will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

- 13.7 Classification of Transmission Service:**
- (a) The Transmission Customer taking Point-To-Point Transmission Service may request a modification of the Points of Receipt or Delivery pursuant to the terms of Section 17.1.
 - (b) EWEB shall provide deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which transmission capacity is reserved by the

Transmission Customer shall be set forth in the Point-To-Point Service Agreement for Long-Term Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Transmission. Each Point of Delivery at which transmission capacity is reserved by the Transmission Customer shall be set forth in the Point-To-Point Service Agreement for Long-Term Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Transmission. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 2 and/or Schedule 2A. The Transmission Customer may not exceed its capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 17. EWEB shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by EWEB) exceeds its reserved capacity at any Point of Receipt or Point of Delivery.

- 13.8 Scheduling of Point-To-Point Transmission Service:** Schedules for the Transmission Customer's Point-To-Point Transmission Service must be submitted to EWEB no later than 9:30 a.m. of the day prior to commencement of such service. Schedules submitted after 9:30 a.m. will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within EWEB's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes

will be permitted up to forty (40) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. EWEB will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify EWEB, and EWEB shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14 Service Availability

- 14.1 General Conditions:** EWEB will provide Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 15.
- 14.2 Determination of Available Transmission Capability:** A description of EWEB's specific methodology for assessing available transmission capability is contained in Attachment C of the Policy. In the event sufficient transmission capability may not exist to accommodate a service request, EWEB will respond by performing a System Impact Study per the terms of its Interconnection Standard.
- 14.3 Initiating Service in the Absence of an Executed Service Agreement:** EWEB is not obligated to provide transmission service in the absence of a fully executed and currently effective Transmission Service Agreement. If EWEB and the Transmission Customer requesting Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, EWEB agrees to negotiate in good faith to reach a mutually acceptable resolution. EWEB may, in the absence of an executed Transmission Service Agreement, agree to commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate EWEB at whatever rate the Regulatory Authority ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of the Policy including posting appropriate security deposits in accordance with the terms of Section 16.3.

- 14.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System:** If EWEB determines that it cannot accommodate a Completed Application for Point-To-Point Transmission Service because of insufficient capability on its Transmission System, EWEB will use due diligence to expand or modify its Transmission System to provide the requested Transmission Service, provided the Transmission Customer agrees to compensate EWEB for such costs pursuant to the terms of Section 20. EWEB will conform to Good Utility Practice in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that EWEB has the right to expand or modify.
- 14.5 Deferral of Service:** EWEB may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Point-To-Point Transmission Service whenever EWEB determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing services.
- 14.6 Other Transmission Service Schedules:** Eligible Customers receiving transmission service under existing agreements with EWEB may continue to receive transmission service under those agreements until such time as those agreements may be modified to conform to the terms and conditions of service under this Policy.
- 14.7 Real Power Losses:** Real Power Losses are associated with all transmission service. EWEB is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by EWEB. The applicable Real Power Loss factor is included in the rates contained in Schedules 2 and 2A.

15 Transmission Customer Responsibilities

- 15.1 Conditions Required of Transmission Customers:** Point-To-Point Transmission Service shall be provided by EWEB only if the following conditions are satisfied by the Transmission Customer:
- a. The Transmission Customer has pending a Completed Application for service;

- b. The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
- c. The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to EWEB prior to the time of service commences;
- d. The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer, whether or not the Transmission Customer takes service for the full term of its reservation; and
- e. The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 14.3.

15.2 Transmission Customer Responsibility for Third-Party

Arrangements: Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by EWEB, notification to EWEB identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by EWEB on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, EWEB will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

16 Procedures for Arranging Point-To-Point Transmission Service

- 16.1 Application:** A request for Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to: General Manager, Eugene Water & Electric Board, Post Office Box 10148, Eugene, Oregon 97440-2148, at least sixty (60) days in advance of the calendar month in which service is to commence. EWEB will consider requests for such service on shorter notice when feasible. Requests for service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 16.5. All

Point-To-Point Transmission Service requests should be submitted by (i) transmitting the required information to EWEB by telefax, or (ii) providing the information by certified mail. Each of these methods will provide a time-stamped record for establishing the priority of the Application.

16.2 Completed Application: A Completed Application shall provide, at a minimum, all of the following information:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Policy;
- (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. EWEB will treat this information as confidential except to the extent that disclosure of this information is required by this Policy, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements;
- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Transmission Service; and
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on EWEB's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement. EWEB shall treat this information consistent with prudent standards of confidentiality.

16.3 Deposit: A Completed Application for Point-To-Point Transmission

Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by EWEB because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals (RFP), said deposit shall be returned with interest less any reasonable costs incurred by EWEB in connection with the review of the losing bidder's Application.

The deposit also will be returned with interest less any reasonable costs incurred by EWEB if EWEB is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by EWEB to the extent such costs have not already been recovered by EWEB from the Eligible Customer. EWEB will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. If a Service Agreement for Point-To-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Point-To-Point Transmission Service. Applicable interest shall be computed at the same rate described in Section 7.2, and shall be calculated from the day the deposit check is credited to EWEB's account.

- 16.4 Notice of Deficient Application:** If an Application fails to meet the requirements of the Policy, EWEB shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. EWEB will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, EWEB shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

- 16.5 Response to a Completed Application:** Following receipt of a Completed Application for Point-To-Point Transmission Service, EWEB shall make a determination of available transmission capability as required in Section 14.2. EWEB shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to EWEB's Interconnection Standard. Responses by EWEB must, be made as soon as practicable to all completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.
- 16.6 Execution of Service Agreement:** Whenever EWEB determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of EWEB's Interconnection Standard will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 14.3, within fifteen (15) days after it is tendered by EWEB will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17 Changes in Service Specifications

- 17.1 Modifications:** Any request by a Transmission Customer to modify Receipt and Delivery Points shall be treated as a new request for service in accordance with Section 16 hereof, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing Receipt and Delivery Points specified in its Service

Agreement.

18 Sale or Assignment of Transmission Service

18.1 Procedures for Assignment or Transfer of Service: Subject to approval by EWEB, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to the Reseller shall not exceed the higher of (i) the original rate paid by the Reseller, (ii) EWEB's maximum rate at the time of the assignment, or (iii) the Reseller's opportunity cost capped at EWEB's cost of expansion. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be, the same as that of the Reseller. A Reseller should notify EWEB as soon as possible after any assignment or transfer of service occurs but in any event, notification must be provided and EWEB approval obtained prior to any provision of service to the Assignee. The Assignee will be subject to all terms and conditions of this Policy. If the Assignee requests a change in service, the reservation priority of service will be determined by EWEB pursuant to Section 13.2.

18.2 Limitations on Assignment or Transfer of Service: If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, EWEB will consent to such change subject to the provisions of this Policy, provided that the change will not impair the operation and reliability of EWEB's generation, transmission, or distribution systems. The Assignee shall compensate EWEB for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Parties through an



amendment to the Service Agreement.

- 18.3 Information on Assignment or Transfer of Service:** Resellers may use OASIS system to post transmission capacity available for resale.

19 Compensation for Transmission Service Rates for

Point-To-Point Transmission Service are provided in the Schedules appended to the Policy: EWEB shall use Part II of the Policy to make its Third-Party Sales. EWEB shall account for such use at the applicable rates, pursuant to Section 8.

20 Stranded Cost Recovery

EWEB may seek to recover stranded costs as determined by the Regulatory Authority from Transmission Customers served under this Policy when such costs arise from the new availability of non-discriminatory transmission access.

The recovery of stranded costs associated with retail-turned-wholesale customers shall apply regardless of whether the customer or its new supplier is requesting or contracting for transmission service.



SCHEDULE I

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into EWEB's Transmission System. This service can be provided only by EWEB. Scheduling, System Control and Dispatch Service shall be provided directly by EWEB. The Transmission Customer must utilize this service from EWEB. The charges for Scheduling, System Control and Dispatch Service are included the rates for Point-to-Point Service contained in Schedules 2, 2A, and 4 or as amended in the Transmission Customer's Service Agreement.



SCHEDULE 2

Long-Term and Short-Term Point-To-Point Transmission Service All Receipt and Delivery Points Excluding McKenzie Substation

The Transmission Customer shall compensate EWEB each month for reserved capacity at any receipt or delivery points on EWEB's system except the McKenzie Substation at the sum of the applicable charges set forth below:

- 1) **Yearly delivery:** one-twelfth of the demand charge of \$ 18.11 /KW of Reserved Capacity per year.
- 2) **Monthly delivery:** \$ 1.51 /KW of Reserved Capacity per month.
- 3) **Weekly delivery:** \$.35 /KW of Reserved Capacity per week.
- 4) **Daily delivery:** \$.05 /KW of Reserved Capacity per day. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.
- 5) **Discounts:** Any offer of a discount for transmission service made by EWEB will be public information available to all Eligible Customers upon request. Discounted prices for transmission service will be applied on a non-discriminatory basis.
- 6) **Overrun charges:** In the event that the Transmission Customer exceeds its reserved capacity at any applicable receipt and/or delivery points, the Transmission Customer shall pay 150% of the Schedule 2 charges for the term of the delivery period (i.e., yearly, monthly, weekly or daily) over which the Transmission Customer has reserved capacity for the maximum amount by which the Transmission Customer has exceeded its reserved capacity.



SCHEDULE 2A

Long-Term and Short-Term Point-To-Point Transmission Service McKenzie Substation

The Transmission Customer shall compensate EWEB each month for reserved capacity at the McKenzie Substation at the sum of the applicable charges set forth below:

- 1) **Yearly delivery:** one-twelfth of the demand charge of \$ 5.36 /KW of Reserved Capacity per year.
- 2) **Monthly delivery:** \$.45 /KW of Reserved Capacity per month.
- 3) **Weekly delivery:** \$.10 /KW of Reserved Capacity per week.
- 4) **Daily delivery:** \$.01 /KW of Reserved Capacity per day. The total demand charge-in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.
- 5) **Discounts:** Any offer of a discount for transmission service made by EWEB will be public information available to all Eligible Customers upon request. Discounted prices for transmission service will be applied on a non-discriminatory basis.
- 6) **Overrun charges:** In the event that the Transmission Customer exceeds its reserved capacity at the McKenzie Substation, the Transmission Customer shall pay 150% of the Schedule 2A charges for the term of the delivery period (i.e. yearly, monthly, weekly or daily) over which the Transmission Customer has reserved capacity for the maximum amount by which the Transmission Customer has exceeded its reserved capacity.



SCHEDULE 4

Point-To-Point Transformation Service

The Transformation Customer shall compensate EWEB each month for reserved capacity at any receipt or delivery points on EWEB's system except the McKenzie Substation at the sum of the applicable charges set forth below:

- 1) **Yearly delivery:** one-twelfth of the demand charge of \$ 19.69 /KW of Reserved Capacity per year.
- 2) **Monthly delivery:** \$ 1.64 /KW of Reserved Capacity per month.
- 3) **Weekly delivery:** \$.38 /KW of Reserved Capacity per week.
- 6) **Daily delivery:** \$.05 /KW of Reserved Capacity per day. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.
- 7) **Discounts:** Any offer of a discount for transformation service made by EWEB will be public information available to all Eligible Customers upon request. Discounted prices for transformation service will be applied on a non-discriminatory basis.
- 6) **Overrun charges:** In the event that the Transformation Customer exceeds its reserved capacity at any applicable receipt and/or delivery points, the Transformation Customer shall pay 150% of the Schedule 4 charges for the term of the delivery period (i.e., yearly, monthly, weekly or daily) over which the Transformation Customer has reserved capacity for the maximum amount by which the Transformation Customer has exceeded its reserved capacity.

ATTACHMENT A

**Form Of Service Agreement For
Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of _____ is entered into, by and between the Eugene Water & Electric Board (EWEB), and _____ ("Transmission Customer").
- 2.0 The Transmission Customer has been determined by EWEB to have a Completed Application for Point-To-Point Transmission Service under the Policy.
- 3.0 The Transmission Customer has provided to EWEB an Application deposit in accordance with the provisions of Section 16.3 of the Policy.
- 4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities are completed, or (3) such other date as it is permitted to become effective. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.
- 5.0 EWEB agrees to provide and the Transmission Customer agrees to take and pay for Point-To-Point Transmission Service in accordance with the provisions of Part II of the Policy and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Eugene Water & Electric Board:

Attn: Engineering Manager
4200 Roosevelt Blvd
Eugene, OR 97402

Transmission Customer:

Attn:

7.0 The Transmission Services Policy is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Eugene Water & Electric Board:

By:

Name

Title

Date

Transmission Customer:

By:

Name

Title

Date

**Specifications For Long-Term Point-To-Point
Transmission Service**

1.0 Term of Transaction:

Start Date:

Termination Date:

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the Balancing Area in which the transaction originates.

3.0 Point(s) of Receipt:

Delivering Party:

4.0 Point(s) of Delivery:

Receiving Party:

5.0 Maximum amount of capacity and energy to be transmitted

(Reserved Capacity):

6.0 Designation of party(ies) subject to reciprocal service obligation:

7.0 Name(s) of any Intervening Systems providing transmission service:

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Policy.)

8.1 Transmission Charge:

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge:

8.4 Ancillary Services Charges:

ATTACHMENT C

Methodology To Assess Available Transmission Capability

The Transmission Provider will assess the capability of the transmission system to provide the requested service in accordance with the criteria and process as described in the document, "Available Transfer Capability Implementation Document (MOD-001)," most current version.

ATTACHMENT E

Index Of Point-To-Point Transmission Service Customers

Customer	Date of Service Agreement
University of Oregon	December 6, 2012
Springfield Utility Board	October 1, 2015
Portland General Electric Merchant	December 1, 2015



VIII. Transmission Operations Policy

This policy provides terms and conditions applicable to Eligible Customers seeking Transmission Service on EWEB's system.

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A. Applicability

This policy applies to any Eligible Customer seeking access to EWEB's electrical distribution system.

B. Purpose

EWEB will provide Point To Point Transmission Service on a non-discriminatory basis pursuant to applicable law, the applicable rates, terms and conditions of this Operations Policy, and in accordance with the requirements set forth in EWEB's Transmission Service Policy.

Point To Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transmission of such capacity and energy to designated Point(s) of Delivery.

C. General Requirements

Terms and Conditions for Service

Transmission service shall be in accordance with EWEB's Transmission Service Policy. EWEB's Transmission Service Policy is available upon request from EWEB.

D. Process and Procedure

Application for Transmission Service

Customer shall submit a Completed Application to EWEB for transmission service over EWEB's electric system. Applications, sample documents, information and requirements for interconnection are available upon request from EWEB.

E. Transmission Delivery Service Prices

(Updated [December, 2015](#))

2016 Transmission Prices	per kW-Year	per kW-month
a. McKenzie Substation Common	\$ 5.36	\$ 0.45
b. Transmission System	\$ 18.11	\$ 1.51
Transformation Price	\$ 19.69	\$ 1.64