



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown  
FROM: Mel Damewood, Chief Water Engineering & Operations Officer;  
Karl Morgenstern, Water Quality & Source Protection Supervisor  
DATE: January 25, 2019  
SUBJECT: Changing EWEB Water Quality Laboratory Status to Commercial  
OBJECTIVE: Information Only

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## **Issue**

This correspondence provides additional information on the possibility of having EWEB's Water Quality (WQ) Lab change its Oregon Environmental Laboratory Accreditation Program (ORELAP) designation from public water system/noncommercial to a commercial lab that can handle cyanotoxin samples from third parties as a way to assist neighboring utilities and potentially generate revenue to offset lab costs.

## **Background**

Blue-green algae are found naturally in surface waters. Algal blooms occur in Oregon reservoirs on a somewhat regular basis under favorable conditions for growth, which include light intensity and total sunlight duration, nutrient availability (especially phosphorus), warmer water temperatures, higher pH, precipitation events, and slow moving water. Some species of blue-green algae can produce cyanotoxins. The conditions that produce cyanotoxins are not well understood, in fact, even when toxin-producing algae are present, they may not actually produce toxins. Oregon Health Authority (OHA) has established health advisory levels for toxins if they are detected in drinking water and issued new rules requiring water utilities susceptible to algal blooms in their source area to conduct regular toxin monitoring every two weeks from May 1 to October 31.

On May 30, 2018, EWEB detected cylindrospermopsin in the raw water at the intake at low levels. No detections of cyanotoxins were found in the treated drinking water and toxins ceased being detected in the raw water on June 16, 2018. With the detection of cyanotoxins in the McKenzie River, EWEB increased its analytical capabilities at its WQ lab to include an ability to test for cyanotoxins. By November 2018, Lab equipment was purchased, setup, and draft Standard Operating Procedures (SOPs) for the EPA-approved ELISA method were completed. Since this time the WQ lab has been running environmental samples through the lab to perfect the method and calibration sequences. The method SOPs should be finalized in February 2019, with third party Proficiency Test (PT) completed in spring of 2019. Once the PT is successful, the WQ lab can analyze EWEB's source, raw, and finished samples for toxins with nearly same day results at a fraction of the cost incurred by subcontracting to outside labs.

## **Discussion**

Staff were requested to assess the possibility of changing its ORELAP designation to commercial

status so it could then handle samples from other utilities that need to have regular toxin samples analyzed per OHA cyanotoxin monitoring rules. Eventually, both the technical and administrative mechanisms make this re-designation possible. However, it is a challenge in the near-term (1-3 years) to pursue this idea as the EWEB WQ lab will need time to: perfect its process, method SOPs, and QA procedures; achieve ORELAP accreditation (when developed for the ELISA method); maintain focus on handling EWEB sample analysis requests; and complete construction of the new laboratory building that will provide the space, layout, and facilities to efficiently handle increased lab requests for supporting source protection, use of biofilters, emergency wells, distribution system compliance, and Willamette River analysis.

Over the longer term, providing assistance to other utilities is possible assuming EWEB would be willing to make additional investments and take on additional liability. This would potentially include:

- Working through the ORELAP process to achieve commercial lab accreditation that tends to be more stringent and comprehensive with additional reporting and record keeping requirements;
- Once EWEB switched to commercial lab designation under ORELAP the WQ lab would be published as a commercial lab. The potential for increase in sample analysis workload could be significant since anyone could request analytical services for any of the methods the EWEB WQ lab performs (not just cyanotoxins). This would require EWEB to accept samples from the public or to deny request for services on a regular basis.
- Purchase automated ELISA equipment (Estimated at \$35,000+) that would allow processing multiple samples to handle larger sample analysis volumes;
- Accept liability for prioritizing other utilities analysis requests if they have cyanotoxin detects above OHA health thresholds per rules;
- Accept portion of compliance liability for other utilities as the OHA rules require the lab running cyanotoxin analysis to report results within short specified timeframe from completing analysis;
- Dedicating a portion of the lab and adjusting analyst resources to running toxin samples to ensure responsiveness to outside requests as the volume and frequency of analysis can be significant once toxins are detected in raw or finished water. This may require expansion of the proposed lab footprint in the new building currently under design.

### **Recommendation and Requested Board Action**

No action requested, information only. We may revisit this issue as standards are implemented and refined.



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

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TO: Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown  
FROM: Sue Fahey, Assistant General Manager/Chief Financial Officer,  
Rene Gonzalez, Customer Solutions Manager and  
Anna Wade, Business Line Manager  
DATE: January 22, 2019  
SUBJECT: Limited Income Program Updates  
OBJECTIVE: Information Only

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## **Issue**

This correspondence is provided to update the Board on the implementation of limited income program changes and the development of utility and program metrics related thereto.

## **Background**

Limited Income programs provided by EWEB have undergone realignment with the strategic plan in recent months. This effort is ongoing and includes notable progress such as:

- Successful discontinuation of EWEB Customer Care Plus (ECCP) –The administrative and delivery costs associated with ECCP were prohibitively high. Over 750 income qualifying customers received a close-out credit, delivered in December at the start of the heating season.
- Educational program content for limited income customers has been revamped with a focus on conservation, pricing, available programs and emergency preparedness. Ongoing savings from the close of ECCP has provided funding in absence of budget expansion.
- Expansion of weatherization incentives to promote energy efficiency in rentals. Limited income occupied properties will be eligible to receive the same incentives as owner occupied. Previously, limited income rentals were limited to 50% eligible costs where owner occupied qualified for 100% of eligible costs.
- EWEB Customer Care Process Improvements
  - Categorical income verification has been used for approximately 25% of recipients since the start of the heating season, relieving applicants of multiple certification appointments.
  - Mail-in application option for senior and disabled customers, beginning in February.
  - Streamlined invoicing and account reconciliation with Lane County has reduced processing time for both agencies, lowering service fees and overhead.
- Home Energy Audits – Prioritizing limited income customers and implementing technological advancements to improve customer experience and operational efficiency.

- Staff Safety – Field Staff will adopt operating procedures for location check-in and emergency radio communication with Security personnel.

**Discussion**

Meaningful reduction in customers’ Energy and/or Peak Burdens will demand the cumulative and utility-wide efforts relating to affordability, customer experience and effective rate design, among others. The Board will be updated on progress toward these, and other goals which affect limited income customers throughout the year.

Energy Burden: EWEB strives to reduce the proportion of a customer’s income that is required to cover utility expenses, ensuring that the cost of vital services is manageable customers.

Goal: Reduce non-payment based residential service disruptions (disconnects).

<i>Current disconnects per month:</i>	<i>2019 Target</i>	<i>2023 Target</i>
525	10% reduction	50% reduction

Peak Burden: EWEB intends to promote payment options to customers in an effort to mitigate the effects of the peak heating season on bill volatility.

Goal: Convert bill assistance recipients to a level payment plan.

<i>Current recipients:</i>	<i>2019 Target</i>	<i>2023 Target</i>
2.3%	15%	50%

Crisis Relief: The utility acts as steward of customer revenues, including those allocated to limited income bill assistance. As such, EWEB Customer Care Program metrics are anchored to cost containment and prudent program scope.

Goal: Provide annual crisis relief to limited income customers while limiting contracted administrative and delivery costs to 18.5% or less.

<i>2018 Administrative cost est.</i>	<i>2019 Target</i>	<i>2023 Target</i>
32%	<= 18.5%	<= 18.5%

Energy Efficiency Education: Staff are prepared to begin delivering targeted information to customers, empowering them with the knowledge to reduce utility costs and increase in-home comfort. In doing so, EWEB will identify opportunities to meet conservation and carbon goals as well as customer confidence.

Goal: Perform in-home audits and deliver educational program content and emergency/efficiency kits to limited income customers, encouraging participation in EWEBs energy efficiency programs.

<i>Current</i>	<i>2019 Target</i>	<i>2023 Target</i>
Audits & Education: New Program	500 customers annual	2500 total audits
LI Conservation: 14% residential MWh	17%	22%

**Recommendation and Requested Board Action**

This update is provided for informational purposes only. No action requested at this time.



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown  
FROM: Frank Lawson, General Manager  
DATE: January 18, 2019  
SUBJECT: Required Review of EWEB Bylaws  
OBJECTIVE: Board Review

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## **Issue**

Article XII, Section 2 of the EWEB Bylaws states that “The Bylaws will be reviewed during the first three months following the swearing-in of elected commissioners.”

EWEB may amend the Bylaws after stated public notification and by a majority vote of the Board. The Bylaws were last amended on January 6, 2015 by Resolution No. 1502.

## **Discussion**

A copy of the Bylaws is included as correspondence for the February 5, 2019 board meeting. Management requests that Commissioners review the Bylaws and provide feedback to Anne Kah, Executive Assistant by February 25, 2019. All responses will be provided in the form of a board backgrounder for the March 5<sup>th</sup> meeting. If one or more Commissioners indicate a desire to amend the Bylaws, the March agenda will include an opportunity for the Board to discuss proposed changes.

## **Recommendation**

Review and provide recommendations or affirm the Bylaws are appropriate as written.

## **Requested Board Action**

None at this time.

## **Eugene Water & Electric Board Bylaws**

### **ARTICLE I**

#### **Section 1.**

The name of this organization is the Eugene Water & Electric Board.

#### **Section 2.**

Authority for the powers and functions vested in the Eugene Water & Electric Board is established by Chapter 10, Section 44, of the [Charter of the City of Eugene](#), (1976), as amended.

#### **Section 3.**

The Eugene Water & Electric Board is defined as a political subdivision of the City of Eugene, a municipal corporation.

### **ARTICLE II**

#### **Section 1.**

The principal purpose of the Eugene Water & Electric Board is to benefit the citizens of Eugene by providing water, electric and other physical energy services to its customers while maintaining cost based rates in accordance with ORS Chapter 225.

### **ARTICLE III**

#### **Section 1.**

The Eugene Water & Electric Board shall comply with all applicable federal, state, and local laws and regulations relating to its activities.

### **ARTICLE IV**

#### **Section 1.**

The Board is composed of five electors of the city who shall serve without pay.

#### **Section 2.**

Section 2.962 of Eugene City Ordinance 18106 provides that, "In 1978, and every fourth year thereafter, two members shall be elected to the Eugene Water & Electric Board, one from Wards 4 and 5 and one from the city at large. In 1980, and every fourth year thereafter, three members shall be elected to the Board, one from Wards 1 and 8, one from Wards 2 and 3, and one from Wards 6 and 7."

## **ARTICLE V**

### **Section 1.**

The officers of the Board shall be president and vice president. The president and vice president will be elected annually. The Board shall appoint a general manager-secretary and fix his/her compensation and conditions of employment. The general manager-secretary shall designate an assistant secretary, treasurer and assistant treasurer.

### **Section 2.**

Consultants to the Board shall be approved by the Board upon recommendation by the general manager-secretary as provided by policy adopted by the Board.

## **ARTICLE VI**

### **Section 1.**

The function of the president is to preside over all meetings of the Board. The Board shall conduct meetings in accordance with Board policies. If the Board is unable to resolve procedural issues, the Board shall use Robert's Rules of Order. The president's role shall be primarily procedural and the president shall have no greater vote on substantive matters than other members of the Board. The president will also represent the Board as required within the community and coordinate among the Board as necessary in the conduct of Board functions.

### **Section 2.**

The function of the vice president is to perform the duties and responsibilities of the president in his/her absence or as agreed upon by the Board.

### **Section 3.**

The general manager-secretary shall report to the Board as a whole and is responsible for implementing policies and directions established by the Board. The general manager-secretary acts as chief executive officer of the organization and shall have all authority to: operate all utilities, hire, appoint, terminate or remove employees, organize and, as the general manager-secretary deems necessary, disband and reorganize departments, act as contracting and purchasing agent for EWEB and award contracts for which there is an appropriation (except as otherwise provided in EWEB Purchasing Policies), prepare budgets, and enforce resolutions of the Board. The general manager-secretary shall also be responsible for preparing reports requested by the Board, representing the utility to the public, other agencies and organizations, and performing such other duties as the Board directs. The general manager-secretary may lawfully delegate any or all of the responsibilities within his/her authority.

## **ARTICLE VII**

### **Section 1.**

The organizational meeting of the Board will be held at the first regular meeting of each calendar year. The primary purpose of the organizational meeting is the election of Board officers and other routine annual business.

## **Section 2.**

The Oregon form of government requires an informed public aware of the deliberations and decisions of public bodies and the information upon which such decisions were made. It is the intent that Board decisions be approved openly. Except as otherwise provided by law: all meetings of the Board shall be open to the public and all persons shall be permitted to attend, no quorum of the Board shall meet in private for the purpose of deciding on or deliberating toward a decision on any matter; an executive session may be held only for those purposes allowed by law (ORS 192.610-.690).

## **Section 3.**

Commissioners shall not use or attempt to use their official position or office to obtain financial gain or avoidance of financial detriment. Commissioners shall follow requirements of state law as to announcing conflicts of interest or potential conflicts of interest and requirements for refraining from discussion, debate, or voting in matters where an actual conflict exists. Commissioners shall abide by state laws on gifts, pledges or promises of employment, personal gain through use of confidential information and prohibitions on representation of others before the Board. The Board may from time to time utilize Board policies or guidelines on conflicts of interest and other ethical standards(ORS 244.010-.390).

## **Section 4.**

A commissioner shall not qualify for employment at EWEB while serving on the Board and for twelve months after serving on the Board.

## **ARTICLE VIII**

### **Section 1.**

A quorum shall consist of three members of the Board.

### **Section 2.**

In order to pass a resolution, motion, or other measure, an affirmative vote of at least 3 commissioners (a majority of the 5 commissioner positions) is required.

## **ARTICLE IX**

### **Section 1.**

Should a vacancy occur on the Board, the remaining Commissioners will appoint a qualified elector to fill such vacancy. The appointment shall be made within 90 days. (Eugene Charter 24)



## **Section 2.**

Attendance at all meetings of the Board is required of Commissioners. Prior notification of absence should be given to the Board or the Secretary whenever possible. The Board shall have power to declare vacant the office of a member who shall absent himself/herself from three consecutive regular meetings without an excuse satisfactory to the Board (Eugene Code 2.205).

## **ARTICLE X**

### **Section 1.**

The regular meeting of the Board will be held at 5:30 p.m. on the first Tuesday of each month, unless that Tuesday falls on or generally conflicts with a national holiday in which case the meeting may be on the next business day or on another Tuesday in that month. If an additional regular meeting is required, the general preference will be to hold that meeting at 5:30 p.m. on the third Tuesday of the month. The Board President and the General Manager-Secretary may reschedule these meetings, schedule additional meetings, or cancel any meeting of the Board by mutual agreement.

## **ARTICLE XI**

### **Section 1.**

All regular and special meetings of the Board shall be held whenever possible within the utility service district. (ORS 192.630(4))

## **ARTICLE XII**

### **Section 1.**

These Bylaws may be amended or altered by a majority vote of the Board. The proposed amendment or alteration shall be submitted to all other members of the Board in writing at least ten days before the meeting at which they are to be considered. For fourteen (14) days prior to the proposed adoption of any amendment or alteration, a copy of the amendment or alteration shall be available at the EWEB Headquarters for public inspection during regular office hours. Notification of the proposed amendment or alteration, the time and place of the meeting at which the proposal is to be adopted, and notice of its availability for public inspection shall be published once in a newspaper of general circulation in the city of Eugene at least fourteen (14) days before the meeting at which the amendment or alteration is to be adopted, or shall be published or disseminated by such alternate method as will provide reasonable notice to the public of such proposal. At the meeting, reasonable opportunity for public comment will be afforded.

### **Section 2.**

The Bylaws will be reviewed during the first three months following the swearing-in of elected commissioners.

Adopted: 01/12/79

Amended: 09/12/83; 03/25/91;

04/12/93; 06/09/97; 06/02/98; 05/17/05; 07/19/11; 06/04/13, 01/06/15.



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Carlson, Mital, Helgeson, Schlossberg, and Brown  
FROM: Rod Price, Chief Electric Engineering & Operations Officer  
Jaime Breckenridge, Utility Joint Use Specialist  
DATE: January 23, 2019  
SUBJECT: Small Cell Installations on EWEB Facilities  
OBJECTIVE: Information Only

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## Issue

This backgrounder covers regulations and EWEB's obligation to provide pole space and fees EWEB is collecting to cover our costs for the pole attachments.

## Background

Traditionally, cellular telephone signals (1G-4G) have been transmitted and received by a few antennas mounted on large structures, which are commonly referred to as macro sites. The next waves of cellular technology (5G and beyond) are going to be a large number of smaller antennas that are distributed on utility poles and street lights. These new installations are referred to as small cells, and are mostly 4G technology at the moment, but technology evolution (including 5G) is the eventual build out strategy nationwide. Co-location of telecommunications (telecom) infrastructure, including cellular antennas, is standard practice for utilities, and in many jurisdictions it is a requirement when installed in public right-of-ways. EWEB has created internal design and engineering standards, which ensure that the co-locations are installed to National Electric Safety Code (NESC) and do not compromise the electric system or worker safety. Pole attachments are highly regulated, including the fees utilities charge to recover costs associated with the attachments.

## City/State/Federal Regulation

The Federal Telecommunications Act of 1996 obligates cities and utilities to accommodate telecom facilities in their jurisdictions. While local jurisdictions retain the authority to regulate specific location, design and construction of the facilities, they cannot discriminate or create unreasonable barriers to telecommunication build outs.

In addition, the City of Eugene adopted its telecom ordinance in 1997 requiring new antennas to be co-located on existing towers, utility poles, and buildings rather than erecting new towers. Telecom companies have to prove they cannot find a viable option on existing poles to be considered for a new tower.

On January 14, 2019 a new FCC order went into effect that further requires access to municipal infrastructure within the (public) right-of-way for deployment of small wireless infrastructure. In part, the FCC order imposes caps on non-recurring and recurring fees for attachments that a pole owner (EWEB) may charge. Fees may be higher than the caps set forth if they are a reasonable approximation of costs, those costs themselves are reasonable, and they are non-discriminatory. This ruling has several appeals and are awaiting review by the 9<sup>th</sup> Circuit Court. Without judgment of the technology (e.g. 5G), EWEB believes the FCC ruling is an over-reach of federal authority and will likely be filing or supporting amicus comments as part of the lawsuit.

## **Fee Structure**

EWEB has signed Master Lease Agreements (MLA) for small cell installations with several telecommunications companies. The MLA covers items common to all installations such as engineering standards and billing details. A Site Lease Agreement (SLA) is signed for each individual location that outlines detailed construction requirements and fees for that location. EWEB charges recurring fees and non-recurring fees to ensure that our customer/owners are not subsidizing small cell deployment.

Recurring Fees, which are defined as the rental fees associated to attaching infrastructure to EWEB poles. These fees are outlined in each SLA. There are two different fee structures as shown below:

- Pole top installations (antennas are above the part of pole reserved for the power company) - \$1,800.00 per year with a 3.5% yearly escalation. This is based on fair market value - determined by analysis of other northwest utilities (PGE, SCL, SNOPUD, PSE, PacifiCorp)
- Mid-pole installations (antennas are in the communication space – below all power) – annual rents are comprised of two items:
  1. EWEB's annual pole attachment rate (which is an Oregon Administrative Rule formula, also referred to as the “*PUC Formula*”) which is re-calculated annually by accounting. This rate is a per foot cost. The 2018-2019 annual per foot rate is \$15.03.
  2. Space occupied by wireless and equipment (infrastructure). Example: antenna, cabinet and disconnect switch occupies 9' on the pole.  $\$15.03 \times 9 = \$135.27$  yearly rent.

Non-recurring Fees, which are defined as the application fee. Small cell application fee per site is \$1,000.00. This fee covers the pre-site review, review of all required documents (antenna specs & build, pole load analysis, etc.), pre-construction meeting, post construction inspection, and project management associated to the site(s). It does not include the cost of design and the make-ready work. That is in addition to the application fee. See attachment A for wireless fee details.

## **Where Are We Today**

To our knowledge, telecommunications companies have ten (10) small cell sites within Eugene that are complete, containing a mix of pole top and mid-pole installations. Overall, the telecommunications companies are estimating more than 100 sites will be commissioned on EWEB poles within the Eugene area.

EWEB has been working with telecommunication companies on pole attachments for several decades now. We have adopted engineering standards for pole attachments to keep our system safe and reliable, and set attachment fees per regulatory requirements to fairly recover our costs and to be rate neutral to our electric customers. As we have worked through the details of accommodating new technologies, the fees have been kept in our operational policies and procedures. In the interest of due process and ease of business, Staff recommends publishing the fees in our Customer Service policy fees section for easy reference. After Board review and acceptance, Staff will bring the updated Customer service policy to a future Board meeting for approval as a consent item.

**Requested Board Action** – Information only at this time.

**Attachment A:** Small Cell Installations on EWEB Facilities-Wireless Fee Schedule



## **WIRELESS FEE SCHEDULE**

Updated 06/27/2018\*

**Macro Application Fee** = \$2,000.00. This fee covers the pre-site review, review of all required documents (antenna specs & build, pole load analysis, RF analysis, etc.), pre-construction meeting, post construction inspection, and project management associated to the site(s). It does not include the cost of design and the make-ready work. That is in addition to the application fee.

**Small Cell or DAS (Distributed Antenna System) Application Fee** = \$1,000.00. This fee covers the pre-site review, review of all required documents (antenna specs & build, pole load analysis, RF analysis, etc.), pre-construction meeting, post construction inspection, and project management associated to the site(s). It does not include the cost of design and the make-ready work. That is in addition to the application fee.

### **Small Cell or DAS Pole Lease Fee =**

Pole Top = \$1,800.00 per year. This is for the antenna and a small amount of equipment (per standard) to be mounted on pole.

Mid-Pole = rate is determined by the then annual pole attachment rental rate (OAR 860-028-0110(2)) multiplied by the Lessee's authorized attachment space (identified in the SLA Exhibit A). These costs are re-calculated annually. See SLA for billing schedule. For reference, the 2018-2019 rate is \$15.03 per foot within the communication space.

Monthly electric consumption for small cell sites will be a flat rate. Monthly rate is \$65.96 per month.

### **Macro Cell Pole Lease Fee =**

Secondary or Guy Stub Pole = \$650.00 per month. This is for the antenna, radio heads (if able to conform to COE requirements) and conduit on the pole. All ancillary equipment to be groundmount.

Primary or Feeder Pole = \$1,150.00 per month. This is for the antenna, radio heads (if able to conform to COE requirements) and conduit on the pole. All ancillary equipment to be groundmount.

All macro cell sites will have a metered service.

\*Fees subject to change and may be reviewed annually.