



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown  
FROM: Rod Price, Chief Operations Officer  
Frank Lawson, General Manager  
DATE: February 27, 2019  
SUBJECT: Willamette Street Project Review – Undergrounding of Electric  
OBJECTIVE: Information Only

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## **Issue**

Commissioners have requested a summary of the items discussed with a previous EWEB Board in 2016 concerning the undergrounding of electrical lines on Willamette Street between 24<sup>th</sup> and 29<sup>th</sup> Avenues.

## **Background**

In early 2016, in response to an inquiry from the City Manager, the EWEB General Manager informed the City Manager that the cost to underground Willamette Street electric service (between 24<sup>th</sup> and 29<sup>th</sup>) would be approximately \$1.5 million, and would require relocating facilities off of Willamette Street. The City Manager was informed that it would be even more expensive to underground these lines within the Willamette Street corridor because of competing utilities and space constraints.

At the June 7, 2016 Board Meeting, EWEB Commissioners were provided a background memorandum on the Willamette project as a written correspondence topic, and the General Manager invited board “input”. Commissioners Helgeson, Mital, Manning, and Simpson were present at the meeting, and Commissioner Brown was absent. This background memorandum is attached for reference, although the date on the document is incorrectly noted as 2017.

During the June 7, 2016 Board Meeting, staff answered questions concerning right-of-way definitions, relocation requirements, and the Willamette project. It was reiterated that while we do have to relocate facilities within the right-of-way if requested as part of a City project, these facilities do not have to be placed underground. Commissioners commented that using primarily non-safety or non-reliability drivers, including aesthetics, would require a policy shift and would differ from past practice. Several expressed concern about the precedent an ad-hoc decision would create unless those directly benefiting were willing to pay for the upgrade. No policy change was advocated for by any Board member present.

As a result of the Board feedback, EWEB Management directed staff to work with the City of Eugene to make improvements along Willamette Street, but not to re-route or underground primary electrical lines.

## **Discussion**

### ***Capital Project Guidance Policy***

According to Policy BL4, the Board directs the organizational results and priorities, through the General Manager, and communicates in the form of policy, approval of Strategic Plans, Long-Term Financial Plans, Capital Improvement Plans, annual budget and goals. Presently, EWEB plans and schedules capital expenditures included in the Capital Improvement Plan(s) based on safety, reliability, and the primacies set forth in the organization's strategic plan. And, while aesthetics and economic impacts are generally considered as part of any decision, they presently do not drive capital decisions relative to the other priorities. The financial projections identified in the Capital Improvement Plans are factors included in the Long-Term Financial Plan that drives the near-term annual budgets, last approved by the Board on December 4, 2018. The latest amendment of the strategic plan and approval of the Capital Improvement Plan occurred in July 2018.

### ***Policy Change and Estimated Impact***

EWEB rates are cost-based and designed to equitably share benefits and costs across the entire community we serve. As a public utility, our decision making must be consistent and equitable for all of our customers. Undergrounding the Willamette electrical lines will necessitate the Board provide a new policy for prioritizing capital decisions, as well as a revision to the approved Strategic Plan and updates to our cost of service policies. EWEB's policy (see E-II, section F) stipulates the requesting customer is responsible for costs associated with replacing overhead with underground distribution facilities unless the conversion is deemed necessary by EWEB.

Updates to the capital prioritization criteria could occur as part of the annual capital planning process scheduled for July, or as a separate Board policy Action. Based on rough estimates, using the Willamette project as a precedent for other decisions, this would add approximately \$40 million to the five-year capital plan and \$100 million to the ten year capital plan, likely defer near-term reliability improvements, and require increasing rates.

### ***Present Design Status***

According to the present design plans, electric service to street lights will be underground, and poles will be relocated in some areas. EWEB did consider the option of including empty underground electric facilities for future use, but determined that there were too many conflicts and future undergrounding would take a different path than along Willamette Street, so there was no cost/benefit for that option. The option of future relocation off of Willamette Street also removes any critical timing requirement with the City's Willamette Street upgrade. The city of Eugene has included empty conduits for future communications use, but EWEB has no current plans to use these conduits.

Because water facilities presently under Willamette Street were already scheduled for replacement in the Capital Improvement Plan, replacing the 70 year-old water main and some services is consistent with EWEB's coordinated planning with the City. EWEB and the City coordinate projects to facilitate utility infrastructure replacement prior to street reconstruction or repaving. The water main project will cost approximately \$1.6 million.

**Recommendation**

In concurrence with the input received from the Board in June 2016, applying policy consistently across the service territory compels that the Board view changes to the Willamette project scope as setting precedent. Using non-safety or non-reliability drivers, including aesthetics, will require a policy shift, and will differ from past practice. Management is recommending consistency with policy, and equity within our service territory independent of specific project scope or appeal.

**Requested Board Action**

No Board action is requested unless the Board wishes to direct management to change policy and/or standard practice.



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

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TO: Commissioners Simpson, Brown, Helgeson, Manning, and Mital  
FROM: Mel Damewood, Engineering Manager; Alan Fraser, Electric Distribution Supervisor  
DATE: May 25, ~~2017~~ 2016 (NOTE – Date was incorrectly shown as 2017)  
SUBJECT: Willamette St. Overhead Electric Relocation  
OBJECTIVE: Information Only - Provide General Direction for 2017 Budget

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## Issue

The City of Eugene (COE) has developed the South Willamette Street Improvement Plan to make the area more accessible, inviting and safe to walk, bike, take the bus, or drive in an eight-block area from 24th Avenue to 32nd Avenue on Willamette Street. Staff is asking the Board for general guidance for the 2017 Capital Budget for potential improvements along the Willamette Street corridor.

## Background

Preliminary City-contracted construction along Willamette Street began a few months back, including the addition of a new traffic light at the Woodfield Station entrance. The work required EWEB, at its cost, to move existing electric and water facilities in the COE right of way (ROW) elsewhere to avoid conflicts with the new traffic signal and other improvements, resulting in undergrounding of electric facilities and eliminating two EWEB poles.

The new COE street standards in the Improvement Plan establish wider sidewalks with a three foot area adjacent to the street reserved for utilities like fire hydrants, light poles, street trees, etc. This implicates the remaining nine distribution poles in the west sidewalk, as well as the secondary services, transformers, and Distribution Feeder. The poles also support other joint utilities (internet/phone). The COE has light poles on both sides of the street, some stand alone and some mounted on EWEB poles, but these would be changed out as part of the improvements.

Over the past few years, the COE has repeatedly asked EWEB about the feasibility of moving the electric facilities (UG) for this section of Willamette Street in support of the Plan objectives. Staff has worked up alternatives and rough cost estimates to evaluate the feasibility of meeting the COE's request. The alternatives are:

- 1) Underground directly on Willamette Street
- 2) Relocate along Amazon Parkway
  - a. Overhead (OH) option
  - b. Underground option
- 3) Modify existing OH on Willamette St.

## **Discussion**

The option of undergrounding EWEB facilities generally has broad customer support for aesthetic and safety reasons. In cases where there is heavy tree cover, undergrounding improves reliability and reduces tree trimming costs. Undergrounding is required in new construction projects, with the cost borne by the developer; undergrounding existing infrastructure in City Right of Way typically falls to ratepayers. Because of the expense, undergrounding is considered on a case-by-case basis and typically cannot be justified.

EWEB currently has no policy or practice to UG existing medium-voltage facilities. As the most recent experience on West 11<sup>th</sup> shows, just a small portion of the existing circuit was placed UG, and only when no other alternatives existed. In the case of this limited span along Willamette Street, there are several options available, described below.

1) UG on Willamette Street

Due to the number of utilities already in the Willamette Street ROW, and the level of traffic in the corridor, UG in Willamette St. is the most complex and expensive alternative. For these reasons, staff felt that carrying this evaluation any further was not prudent.

2) Relocate feeder and distribution lines along Amazon Parkway

- a. OH Option: An estimate of \$400,000 was established to remove the OH on Willamette and replace it with OH along Amazon Parkway. However, this option was eliminated simply because we were trading the safety and visual aesthetics of one corridor and creating the same issues on another. The running trail and adjacent natural area make adding new OH particularly sensitive from a neighborhood and public acceptance perspective.
- b. Underground Option: This alternative moves the existing Feeder entirely off of Willamette St. and places it UG along Amazon Parkway. The estimated cost for this option is \$1.5 million. Except for the new UG portion of the Feeder, this alternative reuses existing infrastructure for service relocation with the addition of one pole.

3) Modify existing overhead on Willamette Street

This option leaves the poles OH along Willamette St., but recognizes that number of them will likely be moved closer to the street to meet the new design standards. There may be opportunities for redesign to address safety concerns (particularly around bus stations), however COE has yet to finalize the design. If all nine poles have to be relocated along the sidewalk, the cost is estimated at about \$50k-100k.

All options require some level of expense. The Electric Capital Improvement Plan can accommodate an UG project of this magnitude, but it would require shifting the timing for other work as this project would need to be complete by 2018. Potential grant funding has been discussed by COE for an UG option, however no grant money has yet been identified. It is safe to assume that any of the options will be fully funded by EWEB.

## **TBL Assessment**

Management has not conducted a full TBL but offers these considerations:

- UG facilities pose less risk to public; specifically for this busy street: bicyclists, pedestrians,

and motorists. This corridor is very busy now with a large amount of commercial traffic, as well as buses. The COE traffic plan is to reduce the number of traffic lanes to accommodate bike lanes on both sides of the street.

- Damage to facilities in this busy corridor has safety risks to EWEB crews during repair, and likely night time work for planned maintenance.
- A more attractive and safe corridor may yield indirect economic benefits to area businesses through increased patronage or improved property values.
- Damage to the feeder through traffic accidents can cause significant and widespread disruption (and economic impacts) to commercial customers in this area.
- There could be a perceived social equity concern expressed by other parts of our customer base that are less affluent than South Eugene is receiving special treatment.
- This is a high priority project for the City and high profile for the public and EWEB's participation may generate goodwill among stakeholders and area residents.
- The benefit of UG will be compromised if other utilities using EWEB poles are unable or unwilling to relocate (EWEB has initiated this conversation).

### **Recommendation**

No Board decision is required at this time, but direction on whether to further pursue an UG solution is requested in preparation for the July meeting where the Electric Capital Plan will be up for approval.

If EWEB proceeds with this UG option, it should not set precedence for any future projects, until a policy is developed to equitably accommodate different parts of town; whether a COE road project or the next LTD project. The existing distribution system has many projects competing for funding in near future and a UG policy needs to compete within that project queue.

Management recommends that a UG policy is developed for Board review to help guide future decisions in a more systematic way. This policy would be informed through a prioritization process that looks at potential UG projects, ranks them against specific criteria like geographic distribution, cost/benefit, etc. The COE has indicated interest in supporting a more comprehensive look at this issue from a hazard mitigation perspective to help guide investments strategically.

### **Requested Board Action**

Request Board's perspective for undergrounding electric facilities in this corridor and in concert with COE's Improvement Plan vision.

If there are questions please contact Mel Damewood at 541-685-7145 or email [mel.damewood@eweb.org](mailto:mel.damewood@eweb.org)