

**EUGENE WATER & ELECTRIC BOARD
EXECUTIVE SESSION 1
EWEB BOARD ROOM
500 EAST 4TH AVENUE
JUNE 4, 2019
4:15 P.M.**

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

Others present: Frank Lawson, General Manager; Mike McCann, Generation Manager; Patricia Boyle, Principal Project Manager; Lisa McLaughlin, Environmental Supervisor; Tim O'Dell, Right-of-Way Agent; Sue Fahey, Assistant General Manager/Chief Financial Officer; Rene Gonzalez, Customer Solutions Manager; Jared Rubin, Principal Environmental Specialist; Joe Harwood, Communications Specialist; Matt Barton, Chief Information Officer, Susan Ackerman, Chief Energy Officer; and Anne Kah, Executive Assistant

EXECUTIVE SESSION:

The Executive Session was called to order at 4:15 p.m.

Pursuant to ORS 192.660(2)(f)

The EWEB Board of Commissioners met in Executive Session to consider information or records that are exempt by law from public inspection.

President Carlson adjourned the Executive Session meeting at 4:31 p.m.

Assistant Secretary

President

**EUGENE WATER & ELECTRIC BOARD
EXECUTIVE SESSION 2
EWEB BOARD ROOM
500 EAST 4TH AVENUE
JUNE 4, 2019
4:45 P.M.**

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

Others present: Frank Lawson, General Manager; Mike McCann, Generation Manager; Patricia Boyle, Principal Project Manager; Lisa McLaughlin, Environmental Supervisor; Tim O'Dell, Right-of-Way Agent; Sue Fahey, Assistant General Manager/Chief Financial Officer; Rene Gonzalez, Customer Solutions Manager; Jared Rubin, Principal Environmental Specialist; Joe Harwood, Communications Specialist; Matt Barton, Chief Information Officer, Susan Ackerman, Chief Energy Officer; Rod Price, Chief Engineering & Operations Officer and Anne Kah, Executive Assistant

EXECUTIVE SESSION:

The Executive Session was called to order at 4:32 p.m.

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 Carlson adjourned the Executive Session meeting at 5:18 p.m.

Assistant Secretary

President

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 E 4th AVENUE
June 4, 2019
5:30 P.M.**

Commissioners may pose questions to staff prior to the scheduled board meeting. To view Commissioners' pre-meeting questions and staff responses, visit <http://www.eweb.org/about-us/board-of-commissioners/2019-board-agendas-and-minutes>.

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

Others Present: Frank Lawson, General Manager; Matt Barton, Chief Information Officer; Wally McCullough, Water Engineering Supervisor; Tyler Nice, Electric Operations Manager; Jeannine Parisi, Customer Relationship Manager; Rod Price, Chief Engineering & Operations Officer; Adam Rue, Fiscal Services Supervisor

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

Agenda Check

There were no changes or additions to the agenda.

Items from Commissioners and General Manager

Commissioner Schlossberg announced she had met with Mayor Vinis about the Eugene City Council's relationship with EWEB concerning climate change. She said they had agreed to meet (along with City Council leadership) every other month, eventually tapering off to once a quarter to discuss climate change and its local effects.

Commissioner Schlossberg said she had attended the resiliency in the water system event at Howard Elementary, and it was very enlightening. She also announced she had a one-on-one with Rod Price. Finally, Commissioner Schlossberg offered that she had attended EWEB's rafting trip, and she thanked Anne Kah for arranging the rafting trip.

President Carlson said she too had attended the water event at Howard Elementary, and found it not only informative, but enjoyable. She announced she had recently toured the Hayden Bridge and McKenzie River treatment facilities. President Carlson announced her one-on-one meeting with Matt Barton concerning EWEB's IT systems. She said that she had toured the Steam Plant recently, and she had given a presentation to Our Revolution on Saturday, June 1, before attending the EWEB Solar Car Challenge at Cal Young Middle School.

Commissioner Helgeson offered that he had attended the Northwest Public Power Association's (NWPPA) annual meeting in Sacramento, CA at the end of May, at which the focus was the various elements of change occurring in the public power industry, and what those changes meant for the future of public power. He said he was aware of a petition drive in the South Hills neighborhood to bring EWEB a proposal/request that the utility consider an increase in their budget for proactive tree trimming.

Vice President Mital thanked Anne Kah for organizing the river float trip. He offered that, during that trip, he was able to talk at length with John DeWenter, Chair of the Springfield Utility Board (SUB), and Tana Shepard, Education Coordinator for 4J School District. Vice President Mital said he was working with Ms. Parisi to bring back to the Board, an updated proposal for EWEB's Education Grants.

Commissioner Brown said that he had spoken to the North East Neighbors Group about a week ago. He said it seemed there were not as many participants in the Solar Challenge this year versus previous years. Commissioner Brown said he hoped that EWEB would be proactive, rather than reactive about structures being allowed to fall into the McKenzie River. He said that, two years ago, a lot of old tires got washed into the river from a former dump site, and that was threatening the river's health.

Mr. Lawson recognized Mel Damewood, who had put in 31 years at EWEB, and was retiring. He said there would be a hearing on cap and trade taking place on Wednesday, June 5, 2019. Finally, Mr. Lawson said that staff would look into the tree trimming piece, especially within rights-of-way.

Public Comment

Roger Ebbage of Eugene, and representing LCC, thanked EWEB for their support of the Energy Management, and Water Conservation Technician programs. He reported the \$25,000 in scholarship funds granted by EWEB in 2018, was being taken advantage of by four students in the aforementioned programs. Mr. Ebbage said that each student would receive \$5,000 through electronic transfer. Finally, he said that EWEB had set the bar for donations to the programs, and recently, the Bonneville Environmental Foundation (BEF) confirmed they would match the \$25,000 donated by EWEB.

Guy Strand of Eugene offered that William Sullivan had given a talk on the consequences of the Cascadia Subduction Zone earthquake, and in that talk, Mr. Sullivan said that he expected the dams upriver from the Eugene area (which are half a century old at least) to fail, and Eugene and surrounding areas would be under 20'-30' of water. Mr. Strand relayed that after such an earthquake hit, people would have roughly a half hour to get to high ground. He opined that everyone living in the area should be made aware of this drastic flooding possibility.

Barbara Wade of Eugene spoke in opposition to the implementation and spread of 5G cellular data networks. She said that she was electrosensitive, and since opting out of EWEB's AMI implementation, her health had improved slightly. Ms. Wade said she was

concerned because while she could “turn off” her smart meter, she could not do the same with 5G wireless. Finally, she asked: What stand will EWEB take on 5G?

Tana Shepard of Eugene, and representing the 4J School District, thanked EWEB for the invite to the river float trip. She reported on the solar challenge, saying there was media attention for the event, and thanking President Carlson and Commissioner Brown for their attendance. Ms. Shepard offered that 4J was looking at supporting Computer Technology (CT) with the grant received from EWEB.

Commissioner Brown thanked those who offered public comment. He asked Mr. Lawson if EWEB’s smart meters had been turned on.

Mr. Lawson replied that depends on if the ratepayer has opted in or out of AMI, and also where a particular ratepayer fell on the AMI implementation schedule.

President Carlson asserted that EWEB was not responsible for the installation of any 5G equipment, and consistent with local, state, and federal laws, earlier in 2019, the EWEB Board adopted Resolution 1909, which directed the General Manager to continue supporting the joint use of EWEB facilities, as long as certain criteria were met, such as: electrical system, worker safety, proper permitting, and ensuring guidelines. She said EWEB supported approaches designed to limit the FCC’s impingement on local authority. President Carlson offered, after extensive personal research, that the likelihood of total dam failure due to an earthquake was very low. She said there was a state earthquake notification system (Shake Alert) which EWEB had joined in an effort to offer as much advance warning as possible in the event of an earthquake.

Vice President Mital asserted that there is a high likelihood of misinformation surrounding the previously discussed dam failures and subsequent inundation. He asked staff to reach out to Mr. Sullivan to make sure he has as many resources as possible concerning dam failures as a result of an earthquake.

Mr. Lawson offered that the inundation maps referenced above show a worst-case scenario surrounding dam failures. He said that staff would indeed reach out to Mr. Sullivan.

Approval of Consent Calendar MINUTES

1. a. **April 23, 2019 Upriver Special Meeting**
b. **May 7, 2019 Regular Session**

CONTRACTS

2. **Eco Services Operations Corp.** - for aluminum sulfate to be used at Hayden Bridge Water Filtration Plant. \$540,000 (over five years, \$108,000 estimated annual average).

3. Halvorson Contracting - for the Roosevelt Operations Center Consolidation and Interior Remodel Construction Services. \$700,000 (resulting cumulative total \$2,770,000).

4. Trane US Inc. - for scheduled maintenance of various brands of chillers at HQ and ROC. \$231,000 (over five years).

RESOLUTIONS

5. Resolution No. 1908 - Authorizing the General Manager to enter into a Purchase and Sale Agreement and Termination of a Power Purchase Agreement for Foote Creek Wind I.

6. Reserve Fund Status and Transfers/Use of Reserves.

a. Resolution No. 1912, Reserve Transfers

b. Resolution No. 1913, Revisions to Financial Policies

Commissioner Brown moved to accept the Consent Calendar as presented. The motion passed unanimously 5:0.

Items Removed from the Consent Calendar

None.

Business Growth and Retention Rate (BGR) Credit

Ms. Parisi and Mr. Rue offered the Board a report and PowerPoint presentation on the Business Growth and Retention Rate Credit.

Commissioner Helgeson wondered if the Board would be able to see what the participation has been so far in supporting an annual refresh of the BGR Credit.

Ms. Parisi said it was staff's intent to include applications plus rewards in quarterly reporting.

Commissioner Helgeson asked if there was a sense of the range of potential subsidies for those in the customer base who might look at the BGR Credit program as a subsidy program.

Ms. Parisi cited \$50-\$100,000 per year; she said her estimates were most likely a bit generous.

Commissioner Brown suggested moving forward with the meeting, since they were ahead of schedule, and the Board wanted to make sure anyone who wished to speak at the Public Hearing for the BGR Credit was given a chance to do so when specified on the agenda.

President Carlson agreed. She stated that the Public Hearing on the BGR Credit, and the subsequent Board action on the matter, would be postponed until the time stated for those items on the agenda.

Capital Improvement Plan (CIP) Assumptions and Priorities

Mr. Price, Mr. McCullough, Mr. Nice, and Mr. Barton offered the Board a report and PowerPoint presentation on CIP assumptions and priorities.

Commissioner Schlossberg said she appreciated the simplified nature of the report and presentation, and the graphics therein.

Commissioner Brown asked how the CIP related to SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index).

Mr. Price said EWEB had been fairly steady over the last five years on both the water and electric sides of the Utility. He offered that it was hard to go back and get good data. He said that moving forward, asset management studies and risk based assessments will start tying reliability to projects. Staff will be doing this type of modeling which will answer some of these questions.

Commissioner Brown wondered if staff used a straight-line, or accelerated depreciation model.

Mr. Price answered straight-line.

Commissioner Helgeson wondered what it would look like if EWEB set aside \$250-\$300,000 of the Electric Capital Budget for the purpose of undergrounding utilities in the future.

Commissioner Brown said he was in agreement with Commissioner Helgeson as per undergrounding, but he felt EWEB ratepayers should not be forced to pay for other EWEB ratepayers in other locations to get undergrounding, as that would not be keeping with EWEB's goal of equity across the area.

Commissioner Helgeson said he understood Commissioner Brown's point, but he wondered about undergrounding utility infrastructure along the main thoroughfares of Eugene, as those improvements would be to the benefit of most, if not all, EWEB ratepayers.

Commissioner Schlossberg said she believed the undergrounding of utility infrastructure was definitely a strategic consideration, and she agreed with Commissioner Helgeson as per his sentiment on the undergrounding of utility infrastructure on the main thoroughfares in EWEB's service area.

Mr. Lawson said undergrounding was a strategic-level decision, and if the Board discretionarily wanted to apply something to another driver, it would take away from safety and reliability, since those values were used to move utility projects from queue to actual work.

Vice President Mital said he was reluctant to increase allocations for undergrounding, as it could cause a rate increase. He clarified that he would be okay with some monies being set aside for undergrounding work, but it was not a priority for him at this time. Vice President Mital disagreed that strategic decision making as per the CIP was Board-driven, instead, he felt it was staff-driven. Vice President Mital said he does not remember the Board weighing in on the acceleration of the Capital Plan in order to keep depreciation at bay.

Mr. Lawson offered there was a recognition by staff that strategic drivers usually come from a higher purpose, we consider that a combination of staff and Board working together. He further explained the Strategic Plan calls out the multiplier of 1.5-2 for depreciation and the Financial Policies specify age of system and rate of return.

President Carlson wondered how staff came up with the figure of 1.5x-2x of annual depreciation to invest in the CIP.

Mr. Lawson offered staff had looked at infrastructure a few years ago, and had compared the depreciated cost to the replacement cost, that is replacing the same asset at today's value which resulted in the 1.5x-2x multiplier. There is some variability from year-to-year and asset-to-asset.

President Carlson said she did not feel like the Board had thoroughly gone through the list of possible projects to test policies and plans, and staff interpretation of same. She offered she would like to see these projects brought before the Board as part of strategic planning in order to see where priorities might fall.

Business Growth and Retention Rate (BGR) Credit – Public Hearing

President Carlson opened the Public Hearing at 7:03 p.m.; seeing no one who wished to speak, she then closed the Public Hearing.

Business Growth and Retention Rate (BGR) Credit – Action

Vice President Mital moved to approve the BGR Credit. The motion passed unanimously 5:0.

Strategic Plan (SP) Opportunities

Mr. Lawson offered the Board a report and PowerPoint presentation on strategic plan opportunities.

Commissioner Brown spoke in favor of “rebranding” how EWEB spent its money with the City of Eugene, in a way to highlight the Community aspect of Mr. Lawson’s

presentation. He said EWEB was the single largest financial contributor to Eugene—to the tune of \$1.4-\$1.5 million per month—which was, in his mind, contributing to the community, although the City places those monies into its General Fund.

President Carlson said that by and large, she agreed with the SP as outlined, including the potential addition of: Safety, Reliability, and Affordability. She suggested leaving the Community piece off of the SP until the next strategic planning session, in which the Board could really dissect all the different components of Community. President Carlson also expressed the need for more review, and more surveying to help dial in the community piece.

Commissioner Schlossberg offered that more discussion was warranted to parse out what the “heart” of the utility was. She asked how the Board could ensure safety and reliability, while simultaneously positively affecting the community.

President Carlson asked Commissioner Schlossberg if she liked her idea of further review and surveying.

Commissioner Schlossberg said she did.

President Carlson suggested a consultant to help the Board with the community aspect of the SP.

Vice President Mital offered he was satisfied with the SP as is. He also offered that he liked the prioritization laid out in the Values changes, although he admitted the community piece was a bit more difficult to grasp and implement than the others. Vice President Mital said the thing he was most interested in was EWEB continuing to be seen as a publicly-owned institution.

Commissioner Brown spoke in favor of revisiting the community piece in a future Board discussion on the SP.

Commissioner Schlossberg said she was okay with the SP, but it would be helpful if the Environmental Responsibility and Community aspects of the SP were further clarified.

Mr. Lawson offered that everything EWEB did as a publicly owned utility, was for the benefit of the community.

Vice President Mital posited that the long-term environmental stewardship of the McKenzie River should be placed under the Responsibility subhead of EWEB’s values as listed in Mr. Lawson’s PowerPoint presentation.

President Carlson said if there was another Board discussion on the SP at the next Board meeting, she would like to get with Mr. Lawson in an attempt to capture what—if

any—items were left off of the SP draft. She said perhaps the Board could vote on specific language of the SP at the August Board meeting.

Mr. Lawson offered it would be useful for staff to provide the Board an update on where the Utility was concerning the strategic phases as well as some of the decisions that were guided by the value statements in the strategic plan. He said he did not know if that would be feasible at the July meeting, but perhaps it was doable at the August meeting.

President Carlson wondered if Board approval was required for the Responsibility and Community aspects of the Utility's values.

Mr. Lawson said no approval was necessary.

Commissioner Helgeson asked if staff's former proposals were being set aside in favor of leaving the values as is.

Mr. Lawson said he would like to get feedback on said proposals, but there was no hurry.

Commissioner Brown spoke in support of EWEB's educational grants being broadened to include the children in area private schools as well as those in public schools.

President Carlson said she would actually like to see this discussion inserted under the Community facet of the SP.

Commissioner Brown exited the meeting at 7:45 p.m.

Correspondence & Board Agendas

Mr. Lawson offered the Board a report of Correspondence and Board Agendas.

Commissioner Helgeson asked if it would be inappropriate if he withheld his feedback on the Eugene/Springfield Natural Hazard Mitigation Plan Update.

Mr. Lawson said it would not be inappropriate; he added that the Plan would eventually come back to the Board for approval.

Vice President Mital requested an update on the "resilient spine" for water and electric resiliency.

Mr. Lawson indicated that information will be included in the upcoming Capital discussions.

Board Wrap-Up

Vice President Mital said that he had been fairly underwhelmed by EWEB's triple bottom line (TBL) assessments.

Commissioner Helgeson agreed with Vice President Mital

Mr. Lawson agreed, and said staff would get back to the Board concerning future TBL assessments. He also offered he himself would clarify as much as possible the TBL assessments in his one-on-one conversations with the Commissioners.

Adjourn

President Carlson adjourned the Regular Session at 8:00 p.m.

Assistant Secretary

President

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Contract with Harrang Long Gary Rudnick, P.C. for Legal Counsel for Human Resources Related Issues.

Board Meeting Date: 7/9/2019

Project Name/Contract #: Legal Counsel for Human Resources Related Services / RFP 030-2019

Primary Contact: Lena Kostopulos Ext.7466

Contract Amount:

Original Contract Amount: \$600,000

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0%

Amount this Request: \$ 600,000.00 (over 5 years estimate)

Resulting Cumulative Total: \$ 600,000.00 (over 5 years estimate)

Contracting Method:

Method of Solicitation: Formal Request for Proposals

If applicable, basis for exemption: n/a

Term of Agreement: 5-years

Option to Renew? Yes

Approval for purchases "as needed" for the life of the Contract Yes No

Proposals/Bids Received (Range): Four Proposals Received (\$265-\$380/hour for Partner Attorney hourly rates)

Selection Basis: Highest Score after evaluating written proposals

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB desires to enter into a professional services contract with Harrang Long Gary Rudnick (Harrang Long) to provide guidance and representation in employment, labor related matters and collective bargaining advisement. Harrang Long provides creative, strategic legal advice targeted to EWEB's mission and work environment to ensure the most efficient use of Human Resources, prevent disruptions and to help identify and address issues before they become costly lawsuits. Harrang Long will help maintain a productive and successful work force by assisting Human Resources in managing our policies and procedures and ensuring compliance with federal and state regulations governing labor and employment.

Contracted Goods or Services

Harrang Long Gary Rudnick, P.C. (Harrang Long) has contracted with EWEB as Legal Counsel surrounding employment matters since 1991, affording them a valuable historical perspective with regard to EWEB's labor relations, personnel matters and workforce management practices. During their service to EWEB, they have developed and maintained productive relationships with Human Resources and EWEB Leadership. The firm has considerable breadth and depth of expertise in all employment disciplines and particularly with respect to the public sector, having an impressive history of contractual relationships with numerous public employers who, like EWEB, are subject to the specific complexities of labor and employment law related to this sector.

Prior Contract Activities

Harrang Long is the incumbent service provider and has represented EWEB in Human Resources-related issues since 1991. There have been no complaints with service over the course of the previous contract (2014-present). EWEB has spent an average of \$113,000 with Harrang Long annually since May 2014. Harrang Long offered rates at \$300/hour, an increase less than 2% over the 2014 rates.

Purchasing Process

Staff issued a Request for Proposals in May of this year. Four firms responded with written proposals. These proposals were evaluated based on criteria established in the Request for Proposal. Harrang Long was determined to be the highest ranked proposer.

Bidder/Proposer Information

Harrang Long Gary Rudnick, P.C.
Barran Liebman Attorneys, LLP
Bullard Law
Local Government Law Group

Bidder/Proposer Location

Eugene, OR
Portland, OR
Portland, OR
Eugene, OR

ACTION REQUESTED:

Management requests the Board approve a five-year Contract with Harrang Long Gary Rudnick, P.C. for Legal Services for Human Resources Related Issues. Approximately \$130,000 was planned for these services in the Department 2019 budget of \$2.7 Million. Variances will be managed within the budget process and Board policy.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with OEG Inc. for Residential, Commercial, and Industrial Electrical Services.

Board Meeting Date: 7/9/2019

Project Name/Contract #: Residential, Commercial, and Industrial Electrical Services / ITB #006-2019

Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$500,000 over five years

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0%

Amount this Request: \$500,000 over five years

Resulting Cumulative Total: \$500,000 over five years

Contracting Method:

Method of Solicitation: Formal Invitation to Bid

If applicable, basis for exemption: N/A

Term of Agreement: **5 Years**

Option to Renew? Yes

Approval for purchases "as needed" for the life of the Contract Yes No

Proposals/Bids Received (Range): **1 bid received: Journeyman - general electrical = \$95/hour; low voltage = \$73/hour (estimated \$500,000 over five years)**

Selection Basis: **Lowest responsive and responsible bidder**

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB has a need for electrical services for EWEB owned Commercial and Residential facilities including installations, low voltage cabling, and repair services. OEG's technical personnel are trained and certified to carry out these services. In addition, they have the ability to respond to emergency service calls in a timely manner. The goal in obtaining OEG's services is to have a single point of contact for electrical services to maintain optimum efficiency and responsiveness for EWEB owned buildings and residences.

Contracted Goods or Services

Commercial electrical installation and repair services on an "as-needed" basis at various EWEB owned commercial and residential facilities.

Prior Contract Activities

The previous (current) contract for general electrical services and low voltage cabling with OEG was approved in 2013. The Contractor has been responsive to all needs and no performance concerns were recorded.

Purchasing Process

A formal Invitation to Bid was posted to ORPIN and advertised in the Business Tribune (trade periodical) in June 2019. This solicitation was posted for 15 days and was viewed by 8 companies, and 11 plan centers and builders' exchanges. No protests were received though only a single bid was submitted. OEG provided the only bid and is the incumbent provider of these services. EWEB's low voltage cabling work requires installers to be PANDUIT and Corning EWP certified. Feedback from potential bidders indicated that they either did not possess these certifications, or they were too busy to submit a bid.

Bidder/Proposer Information

Bidder/Proposer Location

Competitive Fair Price (If less than 3 responses received)

In October 2018, journeyman electrician rates were submitted under a similar ITB, and the rates ranged from \$93 per hour to \$114 per hour. Staff reviewed alternative providers pricing and the journeyman electrician rates are within market value of \$93-\$139 per hour.

ACTION REQUESTED:

Management requests the Board approve a contract with OEG Inc. for Residential, Commercial, and Industrial Electrical Services. Approximately \$100,000 was planned for these goods or services in the Facilities 2019 budget of \$3.2 million. Variances will be managed within the budget process and Board policy.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to authorize the use of a cooperative contract for the purchase of a Truck Mounted, Hydro Excavator from **Owen Equipment Company, an authorized dealer of the Federal Signal Corp.**

Board Meeting Date: July 9, 2019

Project Name/Contract#: Truck mounted, hydro-excavator – Sourcewell Contract #122017-FSC

Primary Contact: Rod Price Ext. 7122

Purchasing Contact: Ramie Alkire Ext. 7413

Expected Spend: \$507,000

Narrative:

Operational Requirement and Alignment with Strategic Plan

As EWEB's demand for environmental awareness and safety consciousness increases, so does the need for using hydro-excavators (otherwise known as a vac-truck). Hydro-excavation is a precise form of excavating that employs high-pressure water and vacuum to excavate dry and wet soil. Overall, hydro excavators have a number of benefits over a more conventional digging approach such as using a backhoe, especially when working around sensitive infrastructures underground. This VAC truck will replace an older vac truck and we will continue to exam the needs for excavating equipment.

Currently the Utility's existing hydro-excavators have become one the most utilized pieces of equipment in the fleet. This increase in demand has the Water Utility needing to purchase an additional, larger hydro-excavator in order to keep up with planned work. A larger unit with additional payload capacity and a longer boom reach will allow our crews to work in areas while minimizing traffic congestion due to the unit's functionality that allows it to be placed a farther distance away from the excavation site and not in traffic.

Contracted Goods or Services

The cooperative contract includes sewer vacuum, hydro-excavation, and street sweeper equipment vehicles including the current model year, hydro-excavator.

Prior Contract Activities

In 2018, EWEB staff purchased a smaller hydro-excavator for \$400,000.

Purchasing Process

In November 2017, a memo to the Board described the types of cooperative contracts and the advantages of using cooperative contracts. Advantages include purchasing at discount prices based on volume purchases, time and cost savings to both EWEB and Contractor to complete the competitive process, and the ability to source specific goods or services that meet EWEB's operational requirements. Below is additional information on the competitive process used to develop this cooperative contract.

In Nov. 2017, the National Joint Powers Alliance (NJPA-Currently rebranded as Sourcewell) issued a Request for Proposals for Sewer Vacuum, Hydro-Excavation, and Street Sweeper Equipment, with Related Accessories and Supplies. The solicitation had 27 responses, and an evaluation committee of 5 Procurement Professionals evaluated and scored the responses. The evaluation committee awarded 13 contracts and indicated that Federal Signal Corporation (representing Elgin Street Sweeper and Vactor Manufacturing and distributed through Owen Equipment Company) offered a diverse product line, and competitive pricing.

Staff recommends purchasing the hydro-excavator through a cooperative contract with Federal Signal Corporation (representing Elgin Street Sweeper and Vactor Manufacturing) and distributed through Owen Equipment Company.

Staff requested a quote from Owen Equipment Company based on the cooperative contract, the quote for the vehicle meets EWEB's operational requirements and is competitively priced.

ACTION REQUESTED:

Management requests the Board authorize the use of the cooperative contract, Sourcewell Contract #122017-FSC, for the purchase of a Truck Mounted, Hydro Excavator from **Owen Equipment Company, an authorized dealer of the Federal Signal Corp.**

The hydro-excavator has a long lead time and if ordered soon will arrive at EWEB in early 2020. As such, the costs will hit the 2020 Capital Budget. Approximately \$540,000 is included in the proposed 2020 Capital Improvement Plan/Budget for this purchase.



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown
FROM: Rod Price, Chief Engineering & Operations Officer; Lisa McLaughlin,
Environmental & Property Supervisor
DATE: June 26, 2019
SUBJECT: Resolution No. 1901 - Property Acquisition for Thurston Substation Expansion
OBJECTIVE: Board Action

Issue

This memo provides background for Board Resolution No. 1901 and an update on the property purchase for the Thurston Substation Expansion Project.

Background

At the August 2, 2016 Board meeting, the Board of Commissioners approved Resolution No. 1625 authorizing the General Manager to purchase a parcel approximately 186 acres in size for the Thurston Substation Expansion Project. Expanding the substation would allow EWEB to tap into Bonneville Power Association power lines, thus facilitating removal of an old EWEB transmission line river crossing and providing additional reliability to EWEB system users. For a number of reasons, as described to the Board during the September 4th, 2018 regular Board meeting, staff recommended purchasing only a portion of the parcel.

Discussion

EWEB initially intended to purchase the entire 186 acre parcel from Weyerhaeuser Company, the property's current owner. However, during the due diligence phase of the transaction, EWEB and Weyerhaeuser mutually agreed that a property line adjustment that allows EWEB to purchase a smaller parcel would be beneficial to both parties. This approach enables EWEB to purchase just the 141.58 acres that are either 1) directly needed for expansion of the Thurston Substation or 2) includes key floodway and riparian areas along the McKenzie River immediately upstream of the Hayden Bridge intake. The additional acreage not needed for substation expansion contains the confluence with Cedar Creek, which receives runoff from three City of Springfield stormwater outfalls. Purchasing this portion of the property allows EWEB to place the area under conservation and manage it for drinking water source protection purposes.

EWEB and Weyerhaeuser have come to an agreement on terms of a sale. Weyerhaeuser has submitted a property line adjustment application to both the City of Springfield and Lane County. The review process is expected to take up to six months. If approved, EWEB and Weyerhaeuser anticipate finalizing the property transfer near the end of 2019.

Given the change in approach, Resolution No. 1625 contains an inaccurate description of the parcel to be purchased. Resolution No. 1901 rescinds Board Resolution No. 1625 and authorizes the General Manager to execute all documents for acquisition of fee title for the newly described parcel.

Recommendation

Staff recommends the Board adopt Resolution No. 1901.

Requested Board Action

Approve Resolution No. 1901, which rescinds Resolution No. 1625 and authorizes the General Manager to execute the purchase of a 141.58 acre parcel for the Thurston Substation Expansion Project.

**RESOLUTION NO. 1901
JULY 2019
EUGENE WATER & ELECTRIC BOARD**

**AUTHORIZING GENERAL MANAGER TO
RESCIND RESOLUTION No. 1625 AND ACQUIRE REDEFINED PROPERTY FOR THE
THURSTON SUBSTATION EXPANSION PROJECT**

WHEREAS, the Eugene Water & Electric Board (“EWEB”) Board of Commissioners has authorized the purchase of approximately 185.99 acres to expand the existing Thurston substation by Resolution No. 1625, dated August 2, 2016.

WHEREAS, the purchase of a smaller, 141.58 acre portion of the aforementioned parcel is more consistent with EWEB ’ s needs, and

WHEREAS, the Board has considered the Thurston Substation Expansion Project which includes, but is not limited to, the acquisition of property abutting the current substation site to design and construct an expansion of the existing Thurston substation, enabling EWEB to tap into BPA power lines, remove an old EWEB transmission line river crossing, and provide redundancy and reliability to EWEB system users; and

WHEREAS, EWEB has authority under Section 44 of the Eugene Charter and ORS 225.020 to acquire real property; and

WHEREAS, the Board determines that it is consistent with the powers and purposes of EWEB and necessary for the continued growth, safety and welfare of EWEB, as well as its wholesale customers, now or hereafter existing, that fee title to necessary properties as well as necessary rights-of-way and easements be acquired to implement the Thurston Substation Expansion Project; and

WHEREAS, after investigation of the alternative sites and the most effective and economic method of service delivery, the Board has determined that the proposed Thurston Substation Expansion Project and selection of the property set forth on Exhibit 1, attached hereto and incorporated by reference, is planned and located in a manner which is most compatible with the greatest public benefit and mitigation of private impact; and

WHEREAS, the Board finds there are adequate funds budgeted and available to acquire the subject properties, and being fully advised,

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

- (i) Board Resolution No. 1625 is hereby rescinded, and
- (ii) The General Manager is authorized to execute all documents for acquisition of fee title for the property described in Exhibit 1.

Dated this 9th day of July, 2019.

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 true and exact copy of the Resolution adopted by the Board in its July 9th, 2019 Regular Board Meeting.

Assistant Secretary

EXHIBIT 1

PROPERTY DESCRIPTION

BEGINNING at the northwest corner of Donation Land Claim (DLC) #74 in Section 28, Township 17 South, Range 2 West, Willamette Meridian, said point also being the northeast corner of DLC #62; **THENCE** along the westerly boundary of said DLC #74 South 00°00'19" East, 833.59 feet to a point to be marked by a survey; **THENCE** South 82°28'45" East, 1042.86 feet to a point to be marked by a survey; **THENCE** North, 703.34 feet to a point to be shown on a survey; **THENCE** East, 1120.28 feet, more or less, to a point on the easterly boundary of those lands conveyed by Maxim Enterprises, Inc. to Weyerhaeuser Company in that deed recorded on July 22, 1965 on Reel 269D as Instrument 12026 in the Lane County Oregon Official Records; **THENCE** along said easterly boundary North 00°08'21" West, 2441.22 feet to the southerly Ordinary High Water Mark of the McKenzie River; **THENCE** along said Ordinary High Water Mark northwesterly to the northerly boundary of the aforesaid Section 28; **THENCE** along said northerly boundary South 88°37'10" West, 343.73 feet, more or less, to the northerly quarter corner; **THENCE** along the north-south section centerline South 00°06'57" East, 1356.01 feet, more or less, to the northerly boundary of DLC #49 in the aforesaid Section 28; **THENCE** along said northerly boundary South 89°40'17" East, 353.16 feet, more or less, to the northeast corner of said DLC #49; **THENCE** along the easterly boundary of said DLC #49 South 00°02'49" East, 1913.20 feet, more or less, to the easterly southeast corner of said DLC #49, also being a point on the northerly boundary of the aforesaid DLC #74; **THENCE** along said northerly boundary South 89°50'04" West, 501.37 feet, more or less, to the **POINT of BEGINNING**.

EXCEPTING therefrom those lands conveyed by Weyerhaeuser Company to the City of Eugene for the use and benefit of the Eugene Water and Electric Board in that deed recorded on June 6, 1968 on Reel 395R as Instrument 27725 in the Lane County Oregon Official Records.

The bearings in this description are based on the Oregon Coordinate Reference System, Eugene Projection NAD83(2011), Epoch 2010.



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown
FROM: Rene Gonzalez, Customer Solutions Manager; Jeannine Parisi, Customer Relationship Manager; Adam Rue, Fiscal Services Supervisor
DATE: June 28, 2019
SUBJECT: Business Growth and Retention Rate Credit
OBJECTIVE: Approval of Resolution No. 1918

Issue

At the June 4, 2019 Board meeting, Commissioners approved changes to the Business Growth and Retention Credit program after the second public hearing on the proposed changes. The rate changes require a Board resolution, and Management is requesting approval of Resolution No. 1918.

Background

At the May and June meetings, Management provided a red-lined version of the BGR-1 policy showing proposed policy modifications consistent with the stated objectives. Commissioners unanimously approved the proposed changes as presented at the June 4, 2019 Board Meeting.

Requested Board Action

Approve Resolution No. 1918 to formally adopt revisions to the Business Growth and Retention Credit (BGR-1) as presented at the June 4, 2019 Board Meeting.

Attachment 1: Board Resolution No. 1918

**RESOLUTION NO. 1918
JULY 2019**

**EUGENE WATER & ELECTRIC BOARD
JULY 2019 REVISED ELECTRIC PRICES**

WHEREAS, the Eugene Water & Electric Board (EWEB) is a customer-owned municipal utility chartered to operate and maintain the Electric Utility system;

WHEREAS, the Board approved Resolution No. 1328 to establish a Business Growth & Retention Price Rider;

WHEREAS, two presentations and public hearings on the price update were conducted on May 7, 2019 and June 4, 2019;

NOW, THEREFORE, BE IT RESOLVED that the Eugene Water & Electric Board hereby authorizes the General Manager to revise the Business Growth & Retention Price Rider as presented and approved at the June 4, 2019 Board Meeting and reflect those prices in the Customer Service Policy, Appendix B, Electric Service Charges and Prices.

Dated this 9th day of July 2019.

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 July 9, 2019 Board meeting.

Assistant Secretary



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown
FROM: Rene Gonzalez, Customer Solutions Manager; Jeannine Parisi, Customer Relationship Manager
DATE: June 21, 2019
SUBJECT: EWEB Education Grant Focus Area Update
OBJECTIVE: Action

Issue

The EWEB Education Grant Program provides funding for water and energy education in four area school districts: Eugene 4J, Bethel, Springfield and McKenzie. Through Inter-Governmental Agreements (IGAs), EWEB disperses almost \$400,000 in grants to the Districts each year. The current five-year IGAs expire in August 2020. The Board is asked to adopt updated educational program priorities for consistency with current EWEB strategic direction.

Background/Discussion

EWEB has a long-standing track record of direct support to area schools dating back to the 1940's. While the funding structure and amounts have changed over the years, the commitment to youth education focused on the development and responsible use of our energy and water resources has endured. EWEB's continued support for science curriculum and hands-on learning, particularly given school budget constraints, is a prime example of community benefits EWEB provides in addition to the delivery of safe, reliable water and power.

The current IGAs with each District were approved late in 2015, before the development and implementation of EWEB's current Strategic Plan. At the request of Commissioner Mital, the Board agreed to review the school district IGAs with an eye towards aligning grant-funded educational activities with EWEB's current strategic priorities.

Commissioner Mital presented the following proposed priority educational topic areas for discussion at the May 2019 EWEB Board meeting:

- Cascadia subduction earthquake and household-scale disaster planning and preparation
- Water: local sources, watershed protection, water quality, conservation
- Energy: Pacific Northwest power supply mix, options for the future, and pros and cons of different energy technologies
- Climate change: science, expected regional impacts, and carbon reduction strategies

Per the proposal, the Board would review and update these educational priorities every five years. In terms of the grant application submittal and reporting requirements, the process would be very similar, minimizing any additional administrative burden to the Districts:

- The year before expiration of the IGA (in this case Fall 2019) each District submits a grant proposal that details its plan for the types of programs and activities to be funded with EWEB grant dollars. These programs should directly relate to at least one of the Board adopted priority topic areas.
- Management will review the proposals for alignment with EWEB’s educational priorities before requesting Board action to approve the new five-year IGAs. Should Management determine that a proposal lacks clear alignment with EWEB educational priorities, the District will be notified and allowed to resubmit its proposal for reconsideration.
- The Board will continue to review and approve each District education grant IGA.
- School Districts will continue to submit annual reports that evaluate the prior school year’s grant-funded activities and document program expenditures.

Board member discussion related to the proposed priority topic areas was positive. Commissioners confirmed that updating the educational focus areas was timely and that EWEB should continue funding education grants at current levels.

School district grant coordinators have also had an opportunity to further discuss this proposal with Commissioners and staff, and are supportive of the proposed changes as outlined above. While it takes time to implement new curricula that meet current science standard requirements, coordinators believe that much of the existing grant-supported programming already aligns with proposed EWEB priorities and see future opportunities around climate change and emergency preparedness topics.

Recommendation

Management recommends supporting the updated priorities and process proposal. With Board consent, the EWEB Education Grant IGAs will be revised to reflect the new educational priority areas. Management would then request the Districts to submit their grant proposals by November 1, 2019, for review against these criteria, and request approval of new five-year IGAs at the December 2019 Board meeting.

Requested Board Action

Adopt the educational priority topic areas as the basis for review and approval of 2020 – 2025 EWEB Education Grant IGAs.