

**EUGENE WATER & ELECTRIC BOARD
EXECUTIVE SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
JANUARY 7, 2020
5:00 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; Lisa Krentz, Support Services Operations Manager; Karen Kelley, Water Operations Manager; Wallace McCullough, Water Engineering Supervisor; Rod Price, Chief Engineering & Operations Officer; Deborah Hart, Interim Chief Financial Officer; Susan Ackerman, Chief Energy Officer; Lena Kostopulos, Chief Human Resources Officer; Ken Baldwin, Security Officer and Anne Kah, Executive Assistant

EXECUTIVE SESSION:

The Executive Session was called to order at 5:00 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 5:30 p.m.

Assistant Secretary

President

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 E 4th AVENUE
January 7, 2020
5:45 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; Jennifer Connors, Communications Specialist; Laura Farthing, Senior Engineer; Karen Kelley, Water Operations Manager; Karl Morgenstern, Environmental, Water Quality and Source Protection Supervisor; Wally McCullough, Water Engineering Supervisor; Nick Nevins, Engineering Technician

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

Agenda Check

There were no changes or additions to the agenda.

Items from Commissioners and General Manager

Commissioner Schlossberg reported that she, Vice President Mital, and General Manager Lawson recently met with representatives from the City of Eugene for the second time to discuss local climate goals. She said there was another such meeting scheduled in three months. Finally, Commissioner Schlossberg said she really appreciated the monthly update newsletters from EWEB.

Commissioner Helgeson announced that John Barofsky had filed to run for his seat on the EWEB Board of Commissioners, which Commissioner Helgeson would be vacating in approximately one year. He continued that Mr. Barofsky was a local area businessperson who had a lot of experience working with the Eugene Chamber of Commerce and the City of Eugene itself.

President Carlson offered that she had attended the Lane Council of Governments (LCOG) meeting in December of 2019, and, from that meeting, she brought the Comprehensive Annual Financial Report to pass around to her fellow EWEB Board members.

Commissioner Brown suggested a potential topic of conversation for a future meeting with the City of Eugene. He said research had pointed him to the fact that there were

more coal plants under construction in Asia, than currently exist in the United States. He said he could not understand why we continued to purchase items that feed the expansion of the coal industry. He continued that he had received and forwarded an email he received from the McKenzie River Interpretive Center (MRIC), in which that institution seemed to want to open a dialogue with EWEB about how the utility could be involved in the MRIC; Commissioner Brown said perhaps they wanted to get on an EWEB Board meeting agenda in the near future. Finally, he praised the EWEB crews at work currently in the downtown area. Commissioner Brown said the EWEB crews (compared to the crew[s] of telecommunications companies also currently working in downtown) were doing a fantastic job with traffic control, environmental protection, etc.

Mr. Lawson reported Carmen-Smith had come back online approximately one month ago, and there was a problem with one of the transformers. He said the transformer was of a particular size that was difficult to acquire, but Duke Energy in North Carolina was able to get one and send it out west to EWEB, and it would be installed, and the Carmen-Smith facility back up and running, by the week ending January 10, 2020. Mr. Lawson announced that EWEB Water Operations Manager Karen Kelley was elected by the American Water Works Association (AWWA) to the position of Oregon-Idaho Regional Trustee. Finally, Mr. Lawson recognized Jennifer Connors and Rachel Chilton for their work on the EWEB newsletter.

Innovation and Talent Award

Mr. Nevins announced that EWEB had received an Innovation and Talent Award from the Register Guard for its installation of the Downtown Fiber Network, in which 82 buildings downtown have been hooked up to the Downtown Fiber Network between March of 2017 and October 2019, using existing EWEB infrastructure.

Vice President Mital posited that perhaps the best time to hear a presentation from the MRIC was during the next EWEB upriver meeting scheduled for spring of 2020.

Public Input

Anne Fifield, City of Eugene Economic Strategies Manager, praised EWEB for their receipt of the Innovation and Talent Award. She thanked the EWEB Board for their partnership with City of Eugene on the Downtown Fiber Network project, and asserted the project was largely driven by EWEB staff. Ms. Fifield said that, to her knowledge, no other municipality had ever used existing infrastructure to install and convey a fiber optic network the way EWEB had.

Approval of Consent Calendar

MINUTES

1.a. December 3, 2019 Executive Session

b. December 3, 2019 Regular Session

RATIFICATION OF BOARD APPOINTED CONSULTANTS

- 2.a. General Counsel - Luvaas Cobb Law Office (Eric DeFreest Primary Contact)**
- b. Real Estate Legal Counsel - Arnold Gallagher P.C.**
- c. Real Estate Legal Counsel - Watkinson Laird Rubenstein P.C.**

CONTRACTS

- 3. Cable Huston, LLP** - for special counsel services. \$3,200,000 (over 5 years).
- 4. CH2M Hill Engineers Inc. dba Jacobs** - for Amendment 1 to Task Order U-3, for engineering services for the Carmen-Smith upstream fish passage facilities at Trail Bridge powerhouse. \$61,778 (Resulting cumulative task order total \$1,605,959)
- 5. CH2M Hill Engineers Inc. dba Jacobs** - for Amendment 1 to Task Order D-1, for engineering services for the Carmen-Smith downstream fish passage facilities at Trail Bridge powerhouse. \$332,178 (Resulting cumulative task order total \$1,938,137).
- 6. Halvorson Contracting** - for the Roosevelt Operations Center consolidation and interior remodel construction services. \$792,000 (Resulting cumulative total \$3,562,000).
- 7. SHI International Corp.** - for the use of a cooperative contract for Microsoft software maintenance and support. \$2,000,000 (over 3 years).
- 8. Riverbend Materials** - for ¾ minus gravel. \$250,000 (over 5 years).

MEMORANDUM OF UNDERSTANDING

- 9. General Pacific Inc.** - for the sale of discounted heat pump water heaters to EWEB customers. \$250,000 (Resulting cumulative total \$400,000 through December 31, 2020).

RESOLUTIONS

- 10. Resolution No. 2002** - Requesting the City of Eugene to authorize the issuance and sale of Electric Utility system revenue refunding bonds in the aggregate principal amount of not to exceed \$36,880,000 for the purpose of refunding certain outstanding Electric Utility system bonds and providing for related matters.
- 11. Resolution No. 2003** - Requesting the City of Eugene to authorize the issuance and sale of Water Utility system revenue and refunding bonds in the aggregate principal amount of not to exceed \$36,860,000 for the purpose of refunding certain outstanding Water Utility system bonds and financing improvements to the Water Utility system and providing for related matters.

12. Resolution No. 2004 - Add Downtown Network Service Connection to Customer Service Policy.

13. Resolution No. 2005 - Annual Appointment of Supplemental Retirement Plan Committee.

14. Resolution No. 2006 - Revisions to EWEB Public Contracting Rules.

15. Resolution No. 2007 - Declaring surplus for certain real property no longer needed for utility purposes.

16. Resolution No. 2008 - Authorize General Manager to negotiate and close a transaction related to real property.

Commissioner Helgeson moved to approve the Consent Calendar without Item 2. The motion passed unanimously 5:0

Items removed from the Consent Calendar

Commissioner Brown pulled Consent Calendar Item 2, which dealt with the ratification of Board-appointed consultants. He said the background material Board members were given prior to the meeting mentioned two different law firms being ratified for General Counsel, but on the agenda itself, it only lists one—Luvaas Cobb. Commissioner Brown wanted to make sure it was in the record that the Board is also ratifying the ability to negotiate a contract with the law firm of Harrang Long Gary Rudnick, as an alternative General Counsel.

Commissioner Helgeson expressed hesitation toward making Harrang Long EWEB's *primary* General Counsel, but he offered he had worked with them in the past, and it would be good for EWEB to have them ratified as a possibility for General Counsel.

Commissioner Brown said he appreciated the diversity two possible General Counsels offered EWEB.

Commissioner Helgeson felt it was odd to list two parties as General Counsel, but he supported Commissioner Brown's original intent on the matter.

Commissioner Brown moved to amend Item 2 in the Consent Calendar to include the law firm of Harrang Long Gary Rudnick under the title General Counsel. The motion passed 4:1, with Commissioner Helgeson voting against.

Commissioner Brown moved to approve Item 2 on the Consent Calendar. The motion passed unanimously 5:0

2020 Election of Board Officers

Commissioner Brown moved to appoint Steve Mital as Board President and Mindy Schlossberg as Board Vice President. The motion passed unanimously 5:0

2020 Appointment of Board Liaison Assignments & Committees

President Mital congratulated Commissioner Carlson, and thanked her, for her carrying out the duties of Board President this past year.

Board Liaison Assignments & Committees

- **Lane Council of Governments (LCOG)** – This role is currently filled by Sonya Carlson. President Mital nominated Sonya Carlson to continue in the role of LCOG liaison, without objection.
- **McKenzie Watershed Council** – This role is currently filled by staff; the Board did not discuss any changes to the assignment.
- **Other Post Employment Benefits (OPEB)** – This role is currently filled by John Brown. President Mital nominated John Brown to continue in the role of OPEB Liaison, without objection.
- **Northwest Public Power Association (NWPPA)** – This role is currently filled by Dick Helgeson. Commissioner Helgeson said he had not heard or seen a lot of interest in this role from his colleagues on the Board, so he had agreed to remain in the role. President Mital nominated Dick Helgeson to continue in the role of NWPPA Liaison through 2020.
- **Springfield Utility Board (SUB)** – Commissioner Brown said this was an ad-hoc position, and he would be willing to remain the liaison to SUB. Commissioner Helgeson nominated John Brown to continue in the role of SUB Liaison, without objection.
- **Lane Electric Cooperative** – This role is currently filled by Steve Mital. Commissioner Carlson nominated Steve Mital to continue in the role of the Lane Electric Cooperative Liaison, without objection.
- **City of Eugene for Climate Related Matters** – This role is currently filled by Mindy Schlossberg. Commissioner Helgeson nominated Mindy Schlossberg to continue in the role of City of Eugene Liaison, without objection.

Base Level Storage Tank Upgrades

Mr. McCullough, Ms. Kelley, Ms. Connors, and Ms. Farthing offered the Board a report and PowerPoint presentation on base level storage tank upgrades.

Commissioner Helgeson said he appreciated the presentation and the proactivity of staff on this issue. He also posited that Eugene City Council should be briefed on the projects as they move forward.

Commissioner Brown asked if the project on College Hill would include blasting, and if so, were there measures being taken as far as vibrations, and possible impact of neighboring properties.

Ms. Farthing replied that before blasting began, there would, as part of the contracts, have to be pre-surveys of all the structures in the vicinity, and vibration monitoring once the projects have begun. She added that it would all be captured on video, to provide future photographic evidence.

Commissioner Brown inquired about the 40th Ave. site. Because it is located within the South Hills Study area and requires Planned Unit Development (PUD) approval, he wondered if EWEB's work could be stopped, or if they could only add additional criteria to the project itself.

Ms. Farthing replied that this project has the same criteria as every PUD, she offered there was the possibility that a Neighborhood Group could appeal the hearing Official's decision, and it could end up at the Land Use Board of Appeals (LUBA) and it is her understanding LUBA has a Safety and Health clause that would be applicable to the approval.

Vice President Schlossberg thanked staff for their public outreach on these projects, as it fostered a culture of transparency by the utility.

Commissioner Carlson asked about the need for increased security on the College Hill site; she wondered how much that extra security would affect public access to the area.

Ms. Kelley answered there was fencing that would be installed to prevent people walking on the roof of the reservoir, and to prevent people from walking up next to the reservoir, but there still would be public access around that aforementioned perimeter.

President Mital, referencing Slide 11 in the presentation, said he disagreed with the characterization of Landscape Design and Public Amenities as components of the project(s) with high opportunities for neighbors' input.

2020 Organizational Goals and Performance Measures

Mr. Lawson offered the Board a report and PowerPoint presentation on 2020 organizational goals and performance measures.

President Mital asked if this was a new process.

Mr. Lawson said the utility did go through this process last year in February-March, but this was the first time the utility had entered into a year with these goals laid out at the outset.

Commissioner Brown asked about Goal #7, which reads: "Work with EWEB Commissioners, FERC, and the McKenzie Valley community to develop a TBL-based plan for the lower McKenzie River Hydroelectric Projects by the end of 2020." He wondered if the term "plan" included a TBL analysis of shutting down Walterville and/or Leaburg.

Mr. Lawson said yes.

President Mital was inclined to delay Board action on this agenda item due to the newness of it, and the nuance involved.

Commissioner Helgeson offered that he would like to work out at least a sense of when this would be approved by the Board.

Mr. Lawson said it was likely this would come back as an item on the Consent Calendar in the near future.

Correspondence & Board Agendas

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

Commissioner Brown said he did not understand why the Board was even debating the \$24,000 water monitoring project above EWEB's water intake.

Mr. Lawson said it was the utility's intent to monitor the water in that area.

Commissioner Carlson asserted that EWEB should not always be on the hook for monitoring the water in that area; she said it was unacceptable to her for entities to pollute that waterway, then shirk the responsibility of paying for the area's monitoring.

Mr. Morgenstern said EWEB had been actively monitoring Keizer Slough for quite some time. He also mentioned that IP had been brought into EWEB's Watershed Emergency Response System, so they can notify EWEB quickly if there is an issue in that waterway.

Commissioner Brown said he wanted to be apprised whenever Mr. Morgenstern ran out of budget.

Commissioner Carlson wondered if steps could be taken to give EWEB more local control of waterways, etc. so polluters could be held accountable in the future.

Mr. Lawson said EWEB was not in a position to enforce laws.

Adjourn

President Carlson adjourned the Regular Session at 7:55 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 **American Governor Company, Ivyland, PA** for construction services at the Carmen Power Plant.

Board Meeting Date: 2/4/2020

Project Name/Contract #: 19-272-GS-Revised; Carmen Digital Governor Conversions

Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$662,000

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0%

Amount this Request: \$662,000

Resulting Cumulative Total: \$662,000

Contracting Method:

Method of Solicitation: Formal Invitation to Bid

If applicable, basis for exemption: N/A

Term of Agreement: **One Time Purchase (Construction and Installation Services)**

Option to Renew? No

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

Proposals/Bids Received (Range): **\$635,000 base bid (single bid received), \$662,000 including added options)**

Selection Basis: Lowest Responsible and Responsive Bidder

Narrative:

Operational Requirement and Alignment with Strategic Plan

The turbine-generator units at Carmen Powerhouse rely on mechanical governors for unit control and protection that have been in service since 1963. Operation and maintenance of these mechanical systems become increasingly difficult every year as this equipment is obsolete and expertise within EWEB and external service contractors is limited. It is common practice in the hydroelectric generation industry to replace these mechanical systems with digital control. Digital control reduces annual maintenance, eases commissioning, and simplifies future troubleshooting. The updated equipment is expected to be operational at the Carmen Powerhouse for the next 40 years under the new FERC operating license.

Contracted Goods or Services

This project includes the design, sourcing, manufacture, installation, and commissioning of equipment to convert two mechanical governors to digital control and refurbish retained components.

Project scope:

- Provide all labor, material and equipment to retrofit the existing Woodward mechanical governors to modern state-of-the-art digital standards.
- Specify, design, furnish and deliver all required instrumentation and mounting hardware necessary for the complete and functional installation of the proposed governor system.
- Design of the interface between the existing plant and the new governor system.
- Demolition, removal from site, and disposal of the existing governor equipment.
- Installation and commissioning of the new governor system.
- Rebuild of all pumps and inspection/cleaning of all retained components.

- In addition to the base bid scope above (priced at \$635,000), selected optional bid items will be the following from the American Governor Bid Form:
 - Supply and install air automated admission valve- \$5,884.84
 - Auxiliary Valve Retention- \$6,675.22
 - Redline EWEB Drawings- \$14,111.64

Prior Contract Activities

American Governor has previously provided the following work for EWEB in the past:

Training in 2017 (\$19,280)

Various parts for the governor at Carmen-Smith (\$6,600)

Governor Pump Rebuilds in 2012 and 2013 (Combined pricing \$50,000)

No performance concerns were noted for the purchase of these goods and services.

Purchasing Process

Staff issued a formal Invitation to Bid on the State of Oregon’s bid site in November 2019. EWEB sent notification of the bid directly to 5 companies who had expertise in governor conversion systems. The bid was also advertised in the Portland Daily Journal of Commerce. Six (6) companies attended the mandatory pre-bid meeting, including several companies very experienced in governor conversions who could have bid as the primary contractor. The bid was extended 2 weeks longer than the average time per a request from a prospective bidder and there were a good deal of questions from contractors that were responded to via the addenda process.

One bid was received from American Governor Company and was found to be Responsive and Responsible. Knight Construction, who attended the pre-bid meeting, will be a sub-contractor. If approved, American Governor Company will provide construction services, as specified in the solicitation documents.

Bidder/Proposer Information

American Governor Company

Bidder/Proposer Location

Ivyland, PA

Competitive Fair Price (If less than 3 responses received) The base bid by American Governor is approximately \$634,700 and was the only bid received. An engineer’s estimate was provided by EWEB engineering consultant that wrote the technical specifications, IAH Hydro. Their estimate for the base scope of work was \$615,000 which is within 4% of the bid. The 4 other companies that attended the pre-bid meetings had various reasons for not bidding.

ACTION REQUESTED:

Management requests the Board approve a contract with American Governor Company, Ivyland, PA for construction services at the Carmen Power Plant. Funds for the purchase were budgeted for 2020. The total Carmen-Smith Relicensing Type 3 budget for 2020 is \$19.4 million, included in the total Electric Division budget of \$48.4 million.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Personal Services Agreement (Engineering) with **Cornforth Consultants, Inc.** for a risk informed alternatives analysis.

Board Meeting Date: February 4, 2020

Project Name/Contract #: Dam Safety Risk Informed Alternatives Analysis / #19-165-Q

Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$ 1,000,000

Additional \$ Previously Approved: \$ 0

Invoices over last approval: \$ 0

Percentage over last approval: 0 %

Amount this Request: \$ 1,000,000

Resulting Cumulative Total: \$ 1,000,000

Contracting Method:

Method of Solicitation: Formal RFP process

If applicable, basis for exemption: n/a

Term of Agreement: Up to five years

Option to Renew? Yes

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

Proposals/Bids Received (Range): 5 (Cost not available; QBS process)

Selection Basis: Qualification Based Selection (QBS)

Narrative:

Operational Requirement and Alignment with Strategic Plan

The Board is being asked to approve a new Personal Services Agreement with Cornforth Consultants of Portland, OR for the purchase of engineering and related services for a dam safety risk-informed analysis of EWEB's high hazard hydroelectric facilities. This analysis will provide the basis for a prioritized capital improvement plan as recommended in the 2019 Owner's Dam Safety Program audit that was performed by the Association of State Dam Safety Official (ASDSO) peer review team at the request of the Federal Energy Regulatory Commission's Portland Regional Office (FERC-PRO).

Contracted Goods or Services

The efficient use of limited capital investment funds at EWEB's high hazard hydroelectric projects requires a solid understanding of the various existing dam safety risks so that competing improvement projects can be prioritized for implementation in a manner that will achieve the greatest amount of risk reduction over the shortest amount of time, within available budgets. The consulting services provided as part of this project will include application of FERC's risk-informed decision making guidelines to comprehensively characterize dam safety risks (estimated probabilities and consequences), develop alternative risk mitigation strategies, estimate capital improvement costs, and recommend project priorities. The services will also include assisting EWEB in resolution of critical information gaps affecting risk estimates, facilitating the involvement of FERC dam safety staff in risk determinations, and documenting the risk assessment protocols/rationales as necessary to answer future questions that arise due to new information or regulatory changes.

EWEB plans to phase implementation of this project by focusing attention on one hydroelectric facility at a time, moving from our highest risk operations to the lower risk operations over time. The consultant will start by focusing

the risk analysis on the Leaburg Canal (currently out of service due to excessive seepage/active internal erosion conditions at several locations). EWEB expects that there will be a number of lessons learned from the initial efforts (technical, economic, regulatory, social/political, environmental, etc.) which will ease subsequent phases of work. EWEB expects to benefit from the Cornforth consulting team's experience working with FERC on similar risk-informed decision making processes. Even so there are many unique aspects to EWEB's McKenzie hydroelectric projects which are complex and warrant a phased implementation approach with the effort to be determined for each task.

Prior Contract Activities

19-174-Q	Walterville Forebay Wall Stability Analysis	\$20,000	November 2019
19-154-Q	Leaburg Canal Emergency Seepage Repair Design	\$33,700	October 2019
19-2754Q	Landslide Potential Analysis	\$27,700	March 2019
18-2732Q	Leaburg Canal Seepage Mitigation	\$426,000	December 2018

All projects were completed on time and on budget or remain in progress and are expected to be on time and on budget.

Purchasing Process

In October 2019, in accordance with public contracting rules, EWEB initiated a Request for Proposals (RFP) using the Qualifications Based Selection (QBS) process for engineering services. All firms were qualified and the two highest scoring firms, HDR and Cornforth Consultants were invited to participate in interviews. Criteria scored included Corporate Project Experience, Project Approach, Project Team Qualifications & Experience, and Project Management Strategy. After interviews were conducted, Cornforth was selected as the most qualified consultant, consistent with the evaluation criteria.

The proposed contract structure is a Master Services Agreement and subsequent, individually negotiated task orders will be issued. Identified major work tasks (Task Orders) will include:

1. Leaburg Project Risk-Based Alternatives Analysis (\$600,000)
2. Walterville Project Risk-Based Alternatives Analysis (\$400,000)
3. Carmen-Smith Risk-Based Alternatives Analysis (TBD)

The work for each risk assessment task will be phased to allow for feedback from FERC and other key internal/external stakeholders at intermediate milestones in an effort to ease ultimate concurrence on the final results. These intermediate check-ins may necessitate additional small analysis tasks that are necessary to build concurrence.

Bidder/Proposer Information

Cornforth Consultants
 HDR
 Schnabel
 Black & Veatch
 Jacobs

Bidder/Proposer Location

Portland, OR
 Portland, OR
 Seattle, WA
 Eugene, OR
 Corvallis, OR

Competitive Fair Price (if less than 3 responses received)

Not applicable

ACTION REQUESTED:

Management requests the Board approve a Personal Services Agreement with **Cornforth Consultants, Inc.** for a risk informed alternatives analysis. Approximately \$600,000 is planned for this work in 2020, the budget for Energy O&M activities in 2020 is \$19.3 million. A budget variance will be requested within the budget process and Board policy for excess cost above the original budget for dam safety consulting support.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new contract with **Elavon, Inc.** for Merchant Card Services.

Board Meeting Date: 2/4/2020

Project Name/Contract #: Merchant Card Services/026-2019

Primary Contact: Deborah Hart Ext.7695

Contract Amount:

Original Contract Amount: \$4.4 million over 5 years

Additional \$ Previously Approved: \$n/a

Invoices over last approval: \$n/a

Percentage over last approval: n/a%

Amount this Request: \$4.4 million over 5 years

Resulting Cumulative Total: \$4.4 million over 5 years

Contracting Method:

Method of Solicitation: Formal Request for Proposals

If applicable, basis for exemption: n/a

Term of Agreement: 2 years with the option to renew up to 5 years

Option to Renew? No

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

Proposals/Bids Received (Range): 9/(0.03% per transaction + \$0.03 per transaction) to (0.10% per transaction + \$0.10 per transaction)

Selection Basis: Highest Ranked Proposer

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB accepts customer credit and debit card payments in a variety of ways - from standard point of sale equipment (lobby), IVR automated phone payments, and internet-based applications. These methods of payment are easy and convenient for many of EWEB's customers, both on a one-time, and on a recurring basis. EWEB's volume of credit and debit card transactions is significant, and continues to increase year to year. EWEB received approximately \$101 million in credit and debit card payments in 2019, up from approximately \$95 million received in 2018. To simplify and facilitate payments, it is in EWEB's best interest to accept credit and debit cards and an outside contractor is required to process those transactions.

Contracted Goods or Services

In order to accept credit and debit card payments, the credit card organizations (Visa and MasterCard) require merchants to enter into service agreements with merchant service providers (typically banking institutions) to process these payments and transfer the funds into merchant's bank accounts. The credit card organizations impose fixed fees for acceptance of their cards known as interchange fees, and the merchant service providers impose additional fees for providing their services. EWEB requested an "interchange plus" fee model, where all interchange fees are passed through by the merchant provider to EWEB.

The requested contract amount reflects the estimated five year total for both the interchange fees, and the selected merchant service provider's fees. The Bid range reflects the merchant service providers' fees only.

Prior Contract Activities

Elavon, Inc. is a subsidiary of US Bank, who has been EWEB's current banking provider since 2017.

Purchasing Process

In April 2019, EWEB issued a formal Request for Proposal (RFP 026-2019) for merchant card services. This solicitation was publicly advertised on ORPIN. Criteria scored included company background; references; implementation plan; transaction processing; fees; customer service and training; and reporting. Nine proposals were evaluated and scored, three were shortlisted and selected for interviews, and Elavon, Inc. was selected as the highest ranked, responsive and responsible proposer.

Bidder/Proposer Information

Banc of America Merchant Services, LLC
Columbia Bank Merchant Services/Worldpay, Inc.
Elavon, Inc.
Fidelity Information Services, LLC (FIS)
Grown in the South/Heartland
KeyBank NA
Paymentus Corp
First Interstate Bank/First Data
Forte Payment Systems

Bidder/Proposer Location

Charlotte, NC
Symmes Township, OH
Atlanta, GA
Franklin, TN
Walnut Creek, CA
Seattle, WA
Charlotte, NC
Eugene, OR/Atlanta, CA
Allen, TX

Competitive Fair Price (If less than 3 responses received)

n/a

ACTION REQUESTED:

Management requests the Board approve a new contract with Elavon, Inc. for merchant card services. Approximately \$870,000 was planned for these services in the Finance O&M 2020 budget of \$9.85 million and will be budgeted annually through the life of the contract. 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 construction contract with **Pacific Excavation** for Hayden Bridge Lab and Backup Services Building.

Board Meeting Date: 2/4/2020

Project Name/Contract #: Lab & Backup Services Building/ ITB 19-176-PW

Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$2,418,000

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0%

Amount this Request: \$2,418,000

Resulting Cumulative Total: \$2,418,000

Contracting Method:

Method of Solicitation: Formal Invitation to Bid

If applicable, basis for exemption: N/A

Term of Agreement: One Time Purchase (Construction)

Option to Renew? No

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

Proposals/Bids Received (Range): 4 (\$2,220,220 – \$2,817,625)

Selection Basis: Lowest Responsible and Responsive Bidder

Narrative:

Operational Requirement and Alignment with Strategic Plan

The existing water quality laboratory (lab) at the Hayden Bridge Filtration Plant is a state certified lab and is essential to ensuring that EWEB customers receive high quality water. Over time, water quality regulations and associated testing requirements have increased, however, EWEB's lab has remained in the same location and square footage at the Filtration Plant since the original construction in 1950.

EWEB's water quality lab is out of space to house all the new equipment needed to meet current water quality regulatory requirements. In addition, most of the equipment and building facilities that support lab operations, i.e. ensuring proper air quality, have reached end of life.

In 2018, EWEB contracted MWA Architects to design a Lab and Backup Services building that would be located adjacent to the existing Disinfection building at the Hayden Bridge Water Filtration Plant. The proposed Lab and Backup Services building will provide a new water quality laboratory and backup facilities for EWEB's power trading, backup Electric Dispatch control center, and emergency operations functions.

Contracted Goods or Services

Pacific Excavation and their subcontractors will provide construction services to complete the installation of the Lab and Backup Services building at the Hayden Bridge Water Filtration Plant according to the project scope and design. The project is scheduled for completion in early 2021.

Prior Contract Activities

EWEB Contract No.	Project Name (Description)	Board Approval Date	Project Duration (Notice to proceed to close out).	Original Contract Amount	Final Contract Amount
031-2018	Hayden Bridge Disinfection	07/10/2018	08/2018 - present	\$ 2,411,000	\$ 2,596,000

	System Improvement				
038-2015	Shasta 1150 Pump Station	n/a	02/2016 – 06/2017	\$ 661,308	\$ 721,356
028-2015	City View 975 Pump Station	n/a	10/2009 – 09/2010	\$ 403,915	\$ 448,653

Purchasing Process

Staff issued a formal Invitation to Bid in December 2019. A voluntary pre-bid conference was attended by four general contractors. Staff received four bids, the lowest responsive and responsible bid was received from Pacific Excavation of Eugene, Oregon.

ACTION REQUESTED:

Management requests the Board approve a Construction Contract with **Pacific Excavation** for **Lab & Backup Services Building**. The building is a shared expense between Water and Electric. Approximately \$2.0M was planned for these services in the Water Capital 2020 budget of \$18 million. The Electric Utility has approximately \$800,000 in its capital plan out of \$40 million for their portion of the facility. 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 new contract with **Trout Mountain Forestry** for Forest Management Services.

Board Meeting Date: 2/4/2020

Project Name/Contract #: Forest Management Services at Leaburg Forest/ 19-137-GS

Primary Contact: Karen Kelley Ext. 541-685-7153

Contract Amount:

Original Contract Amount: \$145,000 over 5 years

Additional \$ Previously Approved: \$ n/a

Invoices over last approval: \$ n/a

Percentage over last approval: n/a %

Amount this Request: \$145,000 over 5 years

Resulting Cumulative Total: \$145,000 over 5 years

Contracting Method:

Method of Solicitation: Request for Proposals

If applicable, basis for exemption: n/a

Term of Agreement: **1 year with the option to renew for 4 additional years**

Option to Renew? Yes

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

Proposals/Bids Received (Range): 3 (\$131,560-268,500)

Selection Basis: Awarded to the highest scoring offeror based on scoring criteria in the RFP

Narrative:

Operational Requirement and Alignment with Strategic Plan

In 2015, EWEB staff and its contractor Trout Mountain Forestry developed a multi-resource Stewardship Plan to guide management of the Leaburg Forest. The plan covers approximately 925 acres of land and prioritizes actively managing the Leaburg Forest to protect the Leaburg Power Canal, protect the water quality of the McKenzie River, improve fish and wildlife habitat, and use conservation forestry to reduce wildfire risks, increase forest health and generate revenue. This contract with Trout Mountain Forestry implements the Stewardship Plan for the next 5-years and aligns with EWEB's Strategic Plan through stewardship of resources. This effort is also part of EWEB's 10-Year Drinking Water Source Protection Strategic Plan to demonstrate conservation forestry for small woodlot owners that protect water quality.

In 2017, EWEB conducted its first commercial harvest on 52-acres (thinning of young stands and creating small gaps on more mature stands) of the Leaburg Forest since the 1960s, as well as addressing hazard trees growing along the canal. Trout Mountain Forestry managed this initial harvest as part of plan implementation. The 2017 harvest generated nearly \$380,000 in revenue for EWEB after subtracting approximately \$309,000 in expenses. A second 50-60 acre harvest will occur as part of this contract in 2021-22. EWEB worked with Oregon State University Extension Service and others to conduct pre-harvest bird surveys, setup long-term monitoring plots and assess water quality to measure potential impacts from harvest and assess if these actions are achieving goals of the plan.

In addition to forest management activities, Trout Mountain Forestry will assist EWEB in forest carbon sequestration project design and implementation in partnership with the University of Oregon. This work is still under development as EWEB and U of O develop an agreement to govern this work over time.

Contracted Goods or Services

As part of this contract, Trout Mountain Forestry will: 1) update the Stewardship Plan to incorporate a new 40-acre parcel purchased in 2019 and Carmen-Smith wildlife mitigation activities; 2) conduct annual forest management activities per the plan (habitat enhancement, hazard tree removal, invasive species treatment, etc.); 3) design, bid, and manage all aspects of second timber harvest and post-harvest planting and slash removal; and 4) conduct forest monitoring activities that informs adaptive management decisions; and 5) work with EWEB and U of O to design, plant, and monitor a carbon research forest.

Prior Contract Activities

In 2015, EWEB contracted with Trout Mountain Forestry to prepare a Forest Management Plan and manage the timber harvest, the original contract was \$29,082.50 plus a percentage of the timber harvest revenue, Trout Mountain completed the work on time and on budget. In addition, Trout Mountain has provided re-planting and timber estimating services over the past few years and has completed that work on time and on budget.

Purchasing Process

In October 2019, in accordance with Oregon public procurement rules, EWEB initiated a Request for Proposals (RFP) for forest management services. Proposals were evaluated and Trout Mountain Forestry was selected based on the evaluation criteria in the RFP. Criteria included Project Understanding and Technical Approach, Firm and Key Staff Experience and References, and Pricing. All firms were well suited for the work, pricing was 40% of the criteria and drove the decision. Management determined that adding carbon research activities to this contract was aligned with the strategic approach for managing the forest and staff negotiated the scope of work to include \$12,000 of carbon research activities and increased the contract amount to near \$145,000.

Bidder/Proposer Information

Integrated Resource Management
Mason Bruce Girard
Trout Mountain Forestry

Bidder/Proposer Location

Philomath, Oregon
Eugene, Oregon
Corvallis, Oregon

Competitive Fair Price (If less than 3 responses received)

Not Required

ACTION REQUESTED:

Management requests the Board approve a Contract with Trout Mountain Forestry for Forest Management Services. Approximately \$30,000/year was planned for these goods or services in the Water Operations/Water Quality & Source Protection 2020 non-labor budget of \$751,400. This budget includes \$150,000 of Generation funds that will be used to fund the Leaburg Forest Management work. Variances will be managed within the budget process and Board policy.



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Mital, Schlossberg, Helgeson, Brown and Carlson
FROM: Deborah Hart, Chief Financial Officer; Aaron Balmer, Accounting & Treasury
Supervisor
DATE: January 29, 2020
SUBJECT: Water and Electric Bond Supplemental Resolutions
OBJECTIVE: Approval of Supplemental Bond Resolutions No. 2009 and 2010

Issue

Board approval is required to issue Electric and Water Utility Revenue Bonds and also refund certain outstanding Water and Electric bonds to achieve interest savings.

Background

At the January 7, 2020 Board meeting, Commissioners approved Resolution No. 2002 and 2003 requesting City Council action to issue Water Utility Revenue and Refunding Bonds and Electric Utility Refunding Bonds. The City Council adopted Resolution No. 5290 at its January 27, 2020 meeting which authorized the sale of bonds not to exceed \$21 million for financing improvements to the Water Utility System and up to \$15.9 million to refund all of the Series 2011 Water Utility Bonds. In addition, The City Council also adopted Resolution No. 5289, which authorized the sale of bonds up to \$36.9 million to refund all of the Series 2012 Electric Utility Bonds. The most recent refunding analysis indicated that the Water Utility and the Electric Utility could each realize approximately \$2 million in interest expense savings over the life of the refunded bonds.

The Uniform Revenue Bond Act (URBA) requires publishing a notice regarding the issuance of new bonds and allowing City of Eugene voters 60 days to file a petition with the City asking that the bond issuance be referred to a vote. The notice was published in The Register-Guard on January 29, 2020 and is only applicable to the Water Utility System Revenue Bonds. The Electric Utility System Revenue Bonds were included in the 2017 notification process and refunding bonds are exempt from the URBA process.

The Series 2020 Bonds will be used to finance Water Utility System general capital and rehabilitation improvements and are scheduled to be issued in the middle of April. The Electric Utility System will use bond proceeds to finance the relicensing of Carmen-Smith and other projects outlined in the capital improvement plan and are scheduled to be issued in late March.

Recommendation/Requested Board Action

Management recommends and requests approval of Resolution No. 2009 and 2010 authorizing the issuance, sale, and delivery of Water Utility and Electric Utility System Revenue and Refunding Bonds.

RESOLUTION NO. 2009
February 2020

SUPPLEMENTAL BOND RESOLUTION

A SUPPLEMENTAL BOND RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF WATER UTILITY SYSTEM REVENUE AND REFUNDING BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$36,860,000 FOR THE PURPOSE OF FINANCING WATER UTILITY SYSTEM IMPROVEMENTS AND REFUNDING CERTAIN OUTSTANDING WATER UTILITY SYSTEM BONDS, AND PROVIDING FOR RELATED MATTERS

WHEREAS, ORS 287A.150 authorizes the City of Eugene (the “City”) to issue bonds payable solely from revenues generated by facilities, projects, utilities or systems owned or operated by the City, and the City, acting by and through the Eugene Water & Electric Board (“EWEB”), owns and operates a water utility system and related facilities and systems;

WHEREAS, on September 2, 1997, EWEB adopted a resolution authorizing and providing for the issuance, from time to time, of City of Eugene, Oregon Water Utility System Revenue Bonds to be equally and ratably secured by the pledge of revenues, funds and accounts thereunder, which was amended by Resolution No. 1614 adopted on April 5, 2016 (as amended and supplemented, the "Bond Resolution");

WHEREAS, this Supplemental Bond Resolution is intended to and does hereby supplement the Bond Resolution;

WHEREAS, the Bond Resolution provides that the principal of, premium, if any, and interest on the bonds issued thereunder shall not be payable from any funds of the City nor constitute a general obligation of the City or create a charge upon the tax revenues or any other property or revenues of the City;

WHEREAS, by Resolution No. 2003, EWEB has determined that it is in the best interest of the City, acting by and through EWEB, to provide funds for the purpose of financing certain capital improvements described in the Water Capital Improvement Plan (the “Project”), refunding the Water Utility System Revenue Bonds, Series 2011 (the “Series 2011 Bonds”), funding necessary reserves and paying the costs of issuance of the bonds;

WHEREAS, by Resolution No. 2003, EWEB requested that the City Council adopt a resolution to authorize and set the terms for the issuance of water utility system revenue bonds in the aggregate principal amount of not to exceed \$36,860,000 to finance the Project and refund the Series 2011 Bonds;

WHEREAS, pursuant to the City’s Resolution, adopted on January 27, 2020 (the “City Resolution”), the City Council authorized EWEB to issue not to exceed \$36,860,000 in bonds to finance the Project and refund the Series 2011 Bonds;

WHEREAS, by the City Resolution, the City Council authorized EWEB, on behalf of the City, to issue and sell the water utility system revenue bonds in one or more series in the aggregate principal amount of not to exceed \$36,860,000, subject to the restrictions that each series of bonds (i) mature not later than 30 years from the date of issuance of such series with the portion to refund the Series 2011 Bonds maturing not later than six months after the original final maturity of the Series 2011 Bonds; (ii)

be sold through public competitive sale and awarded to the bidder offering the most favorable terms to EWEB, on behalf of the City, or sold pursuant to negotiation at par or with a net original issue discount or premium that does not exceed 20% of the aggregate principal amount thereof, and have an effective interest rate of not to exceed 6% per annum;

WHEREAS, it is in the best interest of EWEB to issue one or more series of Water Utility System Revenue and Refunding Bonds, Series 2020 (the "Series 2020 Bonds") to finance a portion of the costs of the Project and to refund the Series 2011 Bonds;

WHEREAS, the City Resolution authorized the publication of the Notice of Revenue Bond Authorization, and on January 29, 2020, the City acting by and through EWEB, caused the Notice to be published in *The Register-Guard*, a newspaper of general circulation within the boundaries of the City; the Series 2020 Bonds will not be issued until 60 days have elapsed since the publication of such Notice, and unless fewer than 5% of the voters residing within the geographical boundaries of the City file a petition with the City asking to have the question of whether to issue the water utility system revenue bonds in the aggregate principal amount of not to exceed \$21,000,000 referred to a vote;

WHEREAS, the foregoing actions and events enable EWEB to proceed with the issuance and sale of the Series 2020 Bonds without further authorization or approval other than that provided by this Supplemental Bond Resolution;

WHEREAS, the Series 2020 Bonds will not be general obligations of the City, nor a charge upon its tax revenues, but will be payable solely from revenues of the Water Utility System that EWEB pledges to the payment of the Series 2020 Bonds pursuant to ORS 287A.310 and ORS 287A.325 and the Bond Resolution;

WHEREAS, EWEB has caused to be prepared a plan showing that EWEB's estimated Water Utility System revenues are sufficient to pay the debt service on the Series 2020 Bonds as authorized by the City Resolution;

NOW, THEREFORE, BE IT FOUND, DETERMINED, ORDERED AND RESOLVED BY THE EUGENE WATER & ELECTRIC BOARD OF THE CITY OF EUGENE, OREGON, as follows:

SECTION 1. Findings. The improvements to the Water Utility System identified in the City Resolution are eligible for financing in accordance with the Bond Resolution through the issuance of the Series 2020 Bonds.

SECTION 2. Definitions. Unless the context shall clearly indicate some other meaning, all words and terms used in this Supplemental Bond Resolution which are defined in the Bond Resolution shall for all purposes of this Supplemental Resolution have the respective meanings given to them in the Bond Resolution.

SECTION 3. Series 2020 Bonds Authorized. The Series 2020 Bonds shall be issued in the form of fully registered bonds in the denomination of \$5,000 or any integral multiple of \$5,000 and shall be numbered as determined by the Bond Registrar. The Treasurer or the Assistant Treasurer of EWEB,

or any such officer's designee (the "Authorized Representative"), is hereby authorized and directed, for and in the name and on behalf of EWEB and the City, to issue and sell the "City of Eugene, Oregon Water Utility System Revenue and Refunding Bonds, Series 2020" or other designation as determined by the Authorized Representative, in one or more series, taxable or tax-exempt, in the aggregate principal amount of not to exceed \$36,860,000, for the purposes of (1) financing the Project, (2) refunding the Series 2011 Bonds, (3) funding required reserves, if any, and (4) paying costs of issuance. The Authorized Representative may determine, with respect to the Series 2020 Bonds, the form of bond and series designation, the manner of disbursement of proceeds of the Series 2020 Bonds, the maturity dates, principal amounts, redemption provisions, interest rates or the method for determining a variable or adjustable interest rate, whether to issue as taxable or tax-exempt bonds, obtain bond insurance or some other form of guaranty or security for the payment of the Series 2020 Bonds, denominations, form, authorized signatory, and other necessary or desirable documents, and other terms and conditions of the Series 2020 Bonds because the same cannot be determined by EWEB at this time.

The Bond Trustee (identified in Section 4 below) as Registrar shall endorse on the Series 2020 Bonds the date of their authentication. Interest on the Series 2020 Bonds shall be payable from the February 1 or August 1 next preceding the date of authentication to which interest shall have been paid; provided, however, that prior to the first payment date, such interest shall be payable from the dated date of the Series 2020 Bonds. The Series 2020 Bonds shall be dated the date of their delivery, shall mature on August 1 in each of the years and in the principal amounts as shown in the Official Statement, consistent with the authority provided or delegated to the Authorized Representative at the time of sale of the Series 2020 Bonds, and it is hereby ratified, confirmed and approved that the final maturity date of the Series 2020 Bonds shall be no later than August 1, 2049.

SECTION 4. Bond Trustee and Registrar. EWEB appoints U.S. Bank National Association as the Bond Fund Trustee (the "Bond Trustee") and Registrar (the "Registrar") with respect to the Series 2020 Bonds. EWEB may elect to hold the Bond Fund in the future.

SECTION 5. Security for Series 2020 Bonds. The Series 2020 Bonds shall not be general obligations of the City or EWEB, nor a charge upon the City's tax revenues, but shall be payable solely from the revenues and funds that EWEB pledges to the payment of the Series 2020 Bonds pursuant to ORS 287A.150 *et seq.* The Series 2020 Bonds shall be secured by a lien on the Revenues of the Water Utility System that is equal in priority to the lien of the Outstanding Bonds and any additional Bonds. The Outstanding Bonds (including the Series 2020 Bonds) shall be secured as set forth in the Bond Resolution.

SECTION 6. Application of Series 2020 Bond Proceeds. The Series 2020 Bond proceeds shall be applied as follows with the amounts to be determined by the Authorized Representative:

- (a) A portion of the proceeds of the Series 2020 Bonds shall be deposited into the Series 2020 Construction Fund described in Section 7;
- (b) A portion of the proceed of the Series 2020 Bonds shall be deposited with the Bond Trustee and used to refund and defease of the 2011 Bonds;
- (c) A portion of the proceeds of the Series 2020 Bonds may be used to fund any reserve for the Series 2020 Bonds not funded with cash; and

(d) A portion of the proceeds of the Series 2020 Bonds shall be applied to the payment of fees and expenses in connection with the issuance and sale of the Series 2020 Bonds.

SECTION 7. Construction Fund. There is hereby created a separate account within the Construction Fund of EWEB to be known as the “Series 2020 Construction Account” to be held by EWEB. Money in the Series 2020 Construction Fund shall be applied solely to the reimbursement and payment of the costs related to the Project. Money shall be paid out of the Series 2020 Construction Fund by EWEB in accordance with the Tax Certificate and procedures prescribed by EWEB. The Authorized Representative may elect to pay the fees and expenses from the Construction Fund or another fund or account.

SECTION 8. Reserve Account. In connection with the issuance of the Series 2020 Bonds, the Authorized Representative is hereby authorized (i) to determine whether the Series 2020 Bonds will be secured by the Reserve Account and calculate the Reserve Requirement in accordance with the provisions of the Bond Resolution and to make any payments in connection therewith or (ii) to determine whether the Series 2020 Bonds will be secured by a separate reserve account and calculate the reserve requirement and provide for its funding as permitted by the Bond Resolution, which reserve requirement may be zero. The Authorized Representative is hereby authorized to execute any agreement (including, but not limited to, an agreement to purchase a reserve fund surety bond) in connection therewith. If applicable, any deficiency in the Reserve Account upon issuance of the Series 2020 Bonds shall be funded with proceeds of the Series 2020 Bonds, cash, surety bond, insurance policy, or a combination thereof, in accordance with Section 7D. of the Bond Resolution.

SECTION 9. Book-Entry System of Ownership. During any time that the Series 2020 Bonds are held in a book-entry only system (the “Book-Entry System”), the registered owner of all of the Series 2020 Bonds shall be The Depository Trust Company, New York, New York (“DTC”), and the Series 2020 Bonds shall be registered in the name of Cede & Co., as nominee for DTC. EWEB has entered into a Blanket Issuer Letter of Representations (the “Letter”) wherein EWEB represents that it will comply with the requirements stated in DTC’s Operational Arrangements as they may be amended from time to time.

Under the Book-Entry System, the Series 2020 Bonds shall be initially issued in the form of a single fully registered certificate, one for each series and maturity of the Series 2020 Bonds. Upon initial issuance, the ownership of such Series 2020 Bonds shall be registered by the Registrar on the registration books in the name of Cede & Co., as nominee of DTC. EWEB and the Registrar may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2020 Bonds registered in its name for the purposes of payment of the principal of, redemption price of, and premium, if any, or interest on the Series 2020 Bonds, selecting the Series 2020 Bonds or portions thereof to be redeemed, if any, giving notice as required under this Supplemental Resolution, registering the transfer of Series 2020 Bonds, obtaining any consent or other action to be taken by the Bondowners and for all other purposes; and neither the Registrar nor EWEB shall be affected by any notice to the contrary. EWEB and the Registrar shall not have any responsibility or obligation to any person claiming a beneficial ownership interest in the Series 2020 Bonds under or through DTC or any participant in DTC (a “Participant”), or any other person which is not shown on the registration books of the Registrar as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Series 2020 Bonds; any notice or direction which is permitted or required to be given to or received from Bondowners under this Supplemental Resolution; the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the Series 2020 Bonds; or any consent given or other action taken by DTC as Bondowner; nor shall any DTC

Participant or any such person be deemed to be a third party beneficiary of any Bondowners' rights under this Supplemental Resolution. The Registrar shall pay from money available hereunder all principal of and premium, if any, and interest on the Series 2020 Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge EWEB's obligations with respect to the principal of and premium, if any, and interest on the Series 2020 Bonds to the extent of the sum or sums so paid. So long as the Series 2020 Bonds are held in the Book-Entry System, no person other than DTC shall receive an authenticated Series 2020 Bond for each separate stated maturity evidencing the obligation of the Registrar to make payments of principal of and premium, if any, and interest pursuant to this Supplemental Resolution. Upon delivery by DTC to the Registrar of DTC's written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Supplemental Resolution with respect to transfers of Series 2020 Bonds, the term "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

At any time it determines that it is in the best interests of the Bondowners or EWEB, EWEB may notify the Registrar, and the Registrar will subsequently notify DTC, whereupon DTC will notify the DTC Participants, of the availability through DTC of Series 2020 Bond certificates. In such event, the Registrar shall issue, transfer and exchange, at EWEB's expense, Series 2020 Bond certificates as requested in writing by DTC in appropriate amounts at the principal office of the Bond Fund Trustee. DTC may determine to discontinue providing its services with respect to the Series 2020 Bonds at any time by giving written notice to the Registrar and discharging its responsibilities under applicable law. If DTC resigns as securities depository for the Series 2020 Bonds, Series 2020 Bond certificates shall be delivered pursuant to this Section 9. Under such circumstances (if there is no successor securities depository), the Registrar shall be obligated to deliver Series 2020 Bond certificates as described in this Supplemental Resolution, provided that the expense in connection therewith shall be paid by EWEB. In the event Series 2020 Bond certificates are issued, the provisions of this Supplemental Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, premium, if any, and interest on such Series 2020 Bonds. Whenever DTC requests the Registrar to do so, the Registrar will cooperate with DTC in taking appropriate action after written notice (a) to make available one or more separate certificates evidencing the Series 2020 Bonds to any DTC Participant having Series 2020 Bonds credited to its DTC account, or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2020 Bonds.

EWEB will not be responsible or liable for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC, its Participants or persons acting through such Participants or for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owner of the Series 2020 Bonds.

SECTION 10. Redemption and Purchase Provisions. The Series 2020 Bonds may be subject to optional and mandatory redemption as determined by the Authorized Representative. Notice of any redemption of Series 2020 Bonds shall be provided for in the manner set forth in this Supplemental Resolution, the Letter or approved by the Authorized Representative. Any notice of optional redemption may state that the optional redemption is conditional upon receipt by the Registrar of money sufficient to pay the redemption price of such Series 2020 Bonds or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission or of the failure of any such condition shall be given by the Registrar to affected Bondowners as promptly as practicable upon the

failure of such condition or the occurrence of such other event, and on or prior to the date fixed for redemption.

(a) Notice of Redemption (Book-Entry). So long as the Series 2020 Bonds are in the Book-Entry System, the Registrar shall notify DTC of an early redemption no fewer than 20 calendar days nor more than 60 calendar days prior to the date fixed for redemption, and shall provide such information as required by the Letter or another letter of representation submitted to DTC in connection with the issuance of the Series 2020 Bonds. Official written notice of redemption will be given by EWEB to the Registrar at least five calendar days prior to the date the notice is scheduled to be sent to DTC.

(b) Notice of Redemption (No Book-Entry). During any period in which the Series 2020 Bonds are not in the Book-Entry System, unless waived by any Bondowner of the Series 2020 Bonds to be redeemed, official notice of any redemption of Series 2020 Bonds shall be given by the Registrar on behalf of EWEB by mailing a copy of an official redemption notice by first class mail, postage prepaid, no fewer than 20 calendar days nor more than 60 calendar days prior to the date fixed for redemption, to the Bondowners of the Series 2020 Bonds to be redeemed at the address shown on the bond register or at such other address as is furnished in writing by such Bondowner to the Registrar. Official written notice of redemption will be given by EWEB to the Registrar at least five calendar days prior to the date the notice is scheduled to be sent to Bondowners of the Series 2020 Bonds.

(c) Effect of Redemption. Interest on each Series 2020 Bond called for redemption shall cease to accrue on the date fixed for redemption, unless either the notice of optional redemption is rescinded as set forth above, or money sufficient to effect such redemption is not on deposit in the Bond Fund or in an escrow account established to refund or defease the Series 2020 Bonds.

(d) Purchase of Series 2020 Bonds. EWEB reserves the right to purchase any or all of the Series 2020 Bonds offered to EWEB at any time at any price acceptable to EWEB plus accrued interest to the date of purchase.

SECTION 11. Findings and Determinations: Authority for Supplemental Resolution: Bonds are “Bonds” under the Bond Resolution. EWEB hereby finds:

(a) The Series 2020 Bonds are issued under the authorization of Section 10 of the Bond Resolution and are “Bonds” within the meaning of the quoted words as defined and used in the Bond Resolution.

(b) All acts and conditions required to exist, to happen and to be performed precedent to and in the issuance of the Series 2020 Bonds exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of Oregon, the Charter of the City of Eugene, the Bond Resolution, and the City Resolution.

(c) Except for supplemental resolutions, the Bond Resolution has not been amended, supplemented, or repealed since adoption thereof. This Supplemental Bond Resolution supplements the Bond Resolution, constitutes and is a “Supplemental Resolution” within the meaning of the quoted words as defined and used in the Bond Resolution and is adopted pursuant to and under authority of the Bond Resolution.

(d) There does not exist an “Event of Default” within the meaning of such quoted term as defined in Section 14 of the Bond Resolution, nor does there exist any condition which, after passage of time, would constitute such an “Event of Default.”

(e) The Series 2020 Bonds: (i) shall be entitled to the benefits, security and protection of the Bond Resolution, equally and ratably with one another and with any other Bonds heretofore or hereafter issued thereunder; (ii) shall be payable as provided in the Bond Resolution solely from the Revenues and other money specified in the Bond Resolution on a parity with one another and with all Bonds heretofore or hereafter issued under the Bond Resolution; and (iii) shall be equally and ratably secured under the Bond Resolution with one another and with all Bonds hereafter issued thereunder, without priority by reason of series, number, date of adoption of the supplemental resolution providing for the issuance thereof, date of Bonds, date of sale, date of execution, date of issuance, date of delivery, or otherwise, by the liens, pledges, charges and assignments created by the Bond Resolution.

(f) The Board hereby affirms the covenants contained in Sections 9 and 11 and other provisions of the Bond Resolution.

SECTION 12. Tax-Exempt Status and Covenant as to Arbitrage.

(a) Preservation of Tax Exemption for Interest on the Tax-Exempt Series 2020 Bonds. EWEB covenants that it will take all actions necessary to prevent interest on the tax-exempt Series 2020 Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the tax-exempt Series 2020 Bonds or other funds of EWEB treated as proceeds of the tax-exempt Series 2020 Bonds that will cause interest on the tax-exempt Series 2020 Bonds to be included in gross income for federal income tax purposes. EWEB also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the tax-exempt Series 2020 Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the tax-exempt Series 2020 Bonds.

(b) Post-Issuance Compliance. An Authorized Representative is authorized and directed to review and update EWEB’s written procedures to facilitate compliance by EWEB with the covenants in this Supplemental Resolution and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the tax-exempt Series 2020 Bonds from being included in gross income for federal tax purposes, maintain the tax treatment of the tax-exempt Series 2020 Bonds and the receipt of interest thereon.

SECTION 13. Refunding of the Refunded Bonds. The Board authorizes the Authorized Representative to approve the Series 2011 Bonds to be refunded by the Series 2020 Bonds (the “Refunded Bonds”), to appoint U.S. Bank National Association as Refunding Trustee, establish the terms for the refunding and the redemption of the Refunded Bonds, and set forth other provisions for such refunding (the “Refunding Plan”).

(a) Use of Series 2020 Bond Proceeds; Acquisition of Acquired Obligations. The Authorized Representative may determine not to proceed with all or part of the Refunding Plan if interest rates are not favorable. A sufficient amount of the proceeds of the sale of the Series 2020 Bonds shall be deposited immediately upon the receipt thereof with the Refunding Trustee and used to discharge the obligations of EWEB relating to the Refunded Bonds under the Bond Resolution by providing for the payment of the amounts required to be paid by the Refunding Plan. To the extent practicable, such obligations shall be

discharged fully by the Refunding Trustee's simultaneous purchase of the Acquired Obligations, bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide, together with a beginning cash balance, if necessary, for the payment of the amount required to be paid by the Refunding Plan. Any Series 2020 Bond proceeds or other money deposited with the Refunding Trustee not needed to purchase the Acquired Obligations and provide a beginning cash balance, if any, and pay the costs of issuance of the Series 2020 Bonds shall be returned to EWEB at the time of delivery of the Series 2020 Bonds to the initial purchaser thereof and deposited in the Bond Fund to pay interest on the Series 2020 Bonds coming due on the first interest payment date.

(b) Substitution of Acquired Obligations. Prior to the purchase of any Acquired Obligations by the Refunding Trustee, EWEB reserves the right to substitute other direct, noncallable obligations of the United States of America ("Substitute Obligations") for any of the Acquired Obligations and to use any savings created thereby for any lawful EWEB purpose if, (a) in the opinion of EWEB's bond counsel, the interest on the tax-exempt Series 2020 Bonds and the Refunded Bonds will remain excluded from gross income for federal income tax purposes under Sections 103, 148, and 149(d) of the Code, and (b) such substitution shall not impair the timely payment of the amounts required to be paid by the Refunding Plan, as verified by a nationally recognized independent certified public accounting firm.

After the purchase of the Acquired Obligations by the Refunding Trustee, EWEB reserves the right to substitute therefor cash or Substitute Obligations subject to the conditions that such money or securities held by the Refunding Trustee shall be sufficient to carry out the Refunding Plan, that such substitution will not cause the tax-exempt Series 2020 Bonds or the Refunded Bonds to be arbitrage bonds within the meaning of Section 148 of the Code and regulations thereunder in effect on the date of such substitution and applicable to obligations issued on the issue dates of the Series 2020 Bonds and the Refunded Bonds, as applicable, and that EWEB obtain, at its expense: (1) a verification by a nationally recognized independent certified public accounting firm acceptable to the Refunding Trustee confirming that the payments of principal of and interest on the substitute securities, if paid when due, and any other money held by the Refunding Trustee will be sufficient to carry out the Refunding Plan; and (2) an opinion from bond counsel to EWEB, to the effect that the disposition and substitution or purchase of such securities, under the statutes, rules, and regulations then in force and applicable to the Series 2020 Bonds, will not cause the interest on the tax-exempt Series 2020 Bonds or the Refunded Bonds to be included in gross income for federal income tax purposes and that such disposition and substitution or purchase is in compliance with the statutes and regulations applicable to the Series 2020 Bonds. Any surplus money resulting from the sale, transfer, other disposition, or redemption of the Acquired Obligations and the substitutions therefor shall be released from the trust estate and transferred to EWEB to be used for any lawful EWEB purpose.

(c) Administration of Refunding Plan. The Refunding Trustee is authorized and directed to purchase the Acquired Obligations (or substitute obligations) and to make the payments required to be made by the Refunding Plan from the Acquired Obligations (or substitute obligations) and money deposited with the Refunding Trustee pursuant to this Supplemental Resolution. All Acquired Obligations (or substitute obligations) and the money deposited with the Refunding Trustee and any income therefrom shall be held irrevocably, invested and applied in accordance with the provisions of this Supplemental Resolution, ORS Chapter 287A and the Refunding Trust Agreement. All necessary and proper fees, compensation, and expenses of the Refunding Trustee and all other costs incidental to the setting up of the escrow to accomplish the refunding of the Refunded Bonds and costs related to the issuance and delivery of the Series 2020 Bonds shall be paid out of the proceeds of the Series 2020 Bonds.

(d) Authorization for Refunding Trust Agreement. To carry out the Refunding Plan provided for by this Supplemental Resolution, the Authorized Representative is authorized to execute and deliver to the Refunding Trustee a Refunding Trust Agreement setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the payment, redemption, and retirement of the Refunded Bonds as provided herein and stating that the provisions for payment of the fees, compensation, and expenses of such Refunding Trustee set forth therein are satisfactory to it.

(e) Call for Redemption of the Refunded Bonds. EWEB calls for redemption on such date as determined by the Authorized Representative, all of the callable Refunded Bonds at par plus accrued interest. Such call for redemption shall be irrevocable after the delivery of the Series 2020 Bonds to the initial purchaser thereof.

The proper EWEB officials are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required, pursuant to the Bond Resolution in order to effect the redemption prior to their maturity of the Refunded Bonds.

SECTION 14. Delegation and Approval for Establishment of Terms and Sale of the Series 2020 Bonds. Subject to the provisions of Section 3, and as provided in the City Resolution, and Resolution No. 2003, all actions heretofore taken or to be taken in connection with the Series 2020 Bonds are hereby approved in all respects including, without limitation, actions taken or to be taken by an Authorized Representative and the Authorized Representative is hereby delegated to:

(a) establish the principal and interest payment dates, principal amounts, taxable or tax-exempt, optional and mandatory redemption provisions and premium or discount, if any, interest rates, denominations and place of payment and all other terms for the Series 2020 Bonds;

(b) make the determinations required by Section 10 of the Bond Resolution;

(c) award the sale of the Series 2020 Bonds in accordance with ORS 287A.300, including entering into a bond purchase contract for a negotiated sale;

(d) approve and authorize the preparation and distribution of preliminary and final official statements for the Series 2020 Bonds;

(e) obtain ratings of the Series 2020 Bonds and expend Series 2020 Bond proceeds to pay for such ratings;

(f) take such actions as are necessary to qualify the Series 2020 Bonds for the Book-Entry System of DTC;

(g) execute a Continuing Disclosure Certificate pursuant to Rule 15c2-12 of the Securities and Exchange Commission;

(h) execute and deliver the Series 2020 Bond closing documents and certificates;

(i) enter into covenants regarding the use of the proceeds of the Series 2020 Bonds to maintain the tax-exempt status of the Series 2020 Bonds which are issued as tax-exempt bonds; and

(j) execute a certificate specifying the actions taken pursuant to this Section 14, and any other certificates, documents or agreements that an Authorized Representative determines are desirable to issue, sell and deliver the Series 2020 Bonds in accordance with this Supplemental Resolution.

SECTION 15. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Series 2020 Bonds by those who shall own the same from time to time, the provisions of this Supplemental Resolution shall be part of the contract of EWEB with the Bondowners and shall be deemed to be and shall constitute a contract between EWEB and the Bondowners. The covenants, pledges, representations and warranties contained in this Supplemental Resolution, the Bond Resolution and in the closing documents executed in connection with the Series 2020 Bonds including without limitation EWEB's covenants and pledges contained in the Bond Resolution and the other covenants and agreements herein set forth to be performed by or on behalf of EWEB shall be contracts for the equal benefit, protection and security of the Bondowners, all of which shall be of equal rank without preference, priority or distinction of any of the Series 2020 Bonds over any other Bonds, except as expressly provided in or pursuant to this Supplemental Bond Resolution or the Bond Resolution.

SECTION 16. Effect of Section Headings. The heading or titles of the several Sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Supplemental Resolution.

SECTION 17. Repeal of Inconsistent Resolutions. Any prior resolution of EWEB, or any portion thereof, in conflict or inconsistent with this Supplemental Resolution is hereby repealed to the extent of such conflict or inconsistency.

SECTION 18. References to Statutes in Bond Resolution. Except as expressly provided herein to the contrary, all references to statutes in the Bond Resolution that have been amended, superseded or re-codified by applicable statutes of similar purpose shall be deemed from and after the effective date of such amendment, supersession or re-codification to refer to such statutes as so amended, superseded or re-codified.

SECTION 19. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 4th day of February, 2020.

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 EWEB at its February 4, 2020 Board Meeting.

Assistant Secretary

RESOLUTION NO. 2010
February 2020

SUPPLEMENTAL BOND RESOLUTION

A SUPPLEMENTAL BOND RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF ELECTRIC UTILITY SYSTEM REVENUE AND REFUNDING BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$82,880,000 FOR THE PURPOSE OF FINANCING ELECTRIC UTILITY SYSTEM IMPROVEMENTS AND REFUNDING CERTAIN OUTSTANDING ELECTRIC UTILITY SYSTEM BONDS, AND PROVIDING FOR RELATED MATTERS

WHEREAS, ORS 287A.150 authorizes the City of Eugene (the “City”) to issue bonds payable solely from revenues generated by facilities, projects, utilities or systems owned or operated by the City, and the City, acting by and through the Eugene Water & Electric Board (“EWEB”), owns and operates an electric utility system and related facilities and systems;

WHEREAS, on June 16, 1986, EWEB adopted a resolution, which was amended and restated by Resolution No. 1604, authorizing and providing for the issuance, from time to time, of City of Eugene, Oregon Electric Utility System Revenue Bonds to be equally and ratably secured by the pledge of revenues, funds and accounts thereunder (as amended and supplemented, the “Bond Resolution”);

WHEREAS, this Supplemental Bond Resolution is intended to and does hereby supplement the Bond Resolution;

WHEREAS, the Bond Resolution provides that the principal of, premium, if any, and interest on the bonds issued thereunder shall not be payable from any funds of the City nor constitute a general obligation of the City or create a charge upon the tax revenues or any other property or revenues of the City;

WHEREAS, by Resolution No. 1712, EWEB has determined that it is in the best interest of the City, acting by and through EWEB, to provide funds for the purpose of financing the licensing, design, construction installation and equipping of certain capital improvements relating to the relicensing of the Carmen-Smith Hydroelectric Project and other projects described in the Electric Capital Improvement Plan (the “Project”), funding necessary reserves and paying the costs of issuance of the bonds;

WHEREAS, by Resolution No. 1712, EWEB requested that the City Council adopt a resolution to authorize and set the terms for the issuance of electric utility system revenue bonds in the aggregate principal amount of not to exceed \$80,000,000 to finance the Project;

WHEREAS, pursuant to the City’s Resolution No. 5201, adopted on June 26, 2017, the City Council authorized EWEB to issue not to exceed \$80,000,000 in principal amount of bonds to finance the Project;

WHEREAS, by Resolution No. 2002, EWEB requested that the City Council adopt a resolution to authorize and set the terms for the issuance of electric utility system revenue refunding bonds in the aggregate principal amount of not to exceed \$36,880,000 to refund a portion of the Electric Utility System Revenue and Refunding Bonds, Series 2012 (the “Series 2012 Bonds”);

WHEREAS, pursuant to the City's Resolution, adopted on January 27, 2020, (together with Resolution No. 5201, the "City Resolutions"), the City Council authorized EWEB to issue not to exceed \$36,880,000 in bonds to refund a portion of the Series 2012 Bonds;

WHEREAS, by the City Resolutions, the City Council authorized EWEB, on behalf of the City, to issue and sell the electric utility system revenue bonds in one or more series in the aggregate principal amount of not to exceed \$80,000,000 to finance the Project and not to exceed \$36,880,000 to refund the Series 2012 Bonds, subject to the restrictions that each series of bonds (i) mature not later than 30 years from the date of issuance of such series with the portion to refund the Series 2012 Bonds maturing not later than six months after the original final maturity of the Series 2012 Bonds; (ii) be sold through public competitive sale and awarded to the bidder offering the most favorable terms to EWEB, on behalf of the City, or sold pursuant to negotiation at par or with a net original issue discount or premium that does not exceed 20% of the aggregate principal amount thereof, and have an effective interest rate of not to exceed 6% per annum;

WHEREAS, City Resolution No. 5201 authorized the publication of the Notice of Revenue Bond Authorization, and on June 28, 2017, the City acting by and through EWEB, caused the Notice to be published in *The Register-Guard*, a newspaper of general circulation within the boundaries of the City, and 60 days elapsed since the publication of such Notice, and fewer than 5% of the voters residing within the geographical boundaries of the City filed a petition with the City asking to have the question of whether to issue the electric utility system revenue bonds in the aggregate principal amount of not to exceed \$80,000,000 referred to a vote;

WHEREAS, the City issued \$33,795,000 principal amount of Electric Utility System Revenue Bonds, Series 2017 as part of the bonds authorized by City Resolution No. 5201, and this Supplemental Resolution authorizes additional bonds to finance improvements authorized by City Resolution No. 5201;

WHEREAS, it is in the best interest of EWEB to issue one or more series of Electric Utility System Revenue and Refunding Bonds, Series 2020 (the "Series 2020 Bonds") to finance a portion of the costs of the Project and to refund a portion of the Series 2012 Bonds;

WHEREAS, the foregoing actions and events enable EWEB to proceed with the issuance and sale of the Series 2020 Bonds without further authorization or approval other than that provided by this Supplemental Bond Resolution;

WHEREAS, the Series 2020 Bonds will not be general obligations of the City, nor a charge upon its tax revenues, but will be payable solely from revenues of the Electric Utility System that EWEB pledges to the payment of the Series 2020 Bonds pursuant to ORS 287A.310 and ORS 287A.325 and the Bond Resolution;

WHEREAS, EWEB has caused to be prepared a plan showing that EWEB's estimated Electric Utility System revenues are sufficient to pay the debt service on the Series 2020 Bonds as authorized by the City Resolutions;

NOW, THEREFORE, BE IT FOUND, DETERMINED, ORDERED AND RESOLVED BY THE EUGENE WATER & ELECTRIC BOARD OF THE CITY OF EUGENE, OREGON, as follows:

SECTION 1. Findings. The improvements to the Electric Utility System identified in the City Resolutions are eligible for financing in accordance with EWEB Resolution No. 1712 through the issuance of the Series 2020 Bonds.

SECTION 2. Definitions. Unless the context shall clearly indicate some other meaning, all words and terms used in this Supplemental Bond Resolution which are defined in the Bond Resolution shall for all purposes of this Supplemental Resolution have the respective meanings given to them in the Bond Resolution.

SECTION 3. Series 2020 Bonds Authorized. The Series 2020 Bonds shall be issued in the form of fully registered bonds in the denomination of \$5,000 or any integral multiple of \$5,000 and shall be numbered as determined by the Bond Registrar. The Treasurer or the Assistant Treasurer of EWEB, or any such officer's designee (the "Authorized Representative"), is hereby authorized and directed, for and in the name and on behalf of EWEB and the City, to issue and sell the "City of Eugene, Oregon Electric Utility System Revenue and Refunding Bonds, Series 2020" or other designation as determined by the Authorized Representative, in one or more series, taxable or tax-exempt, in the aggregate principal amount of not to exceed \$82,880,000, for the purposes of (1) financing the Project, (2) refunding a portion of the Series 2012 Bonds, (3) funding required reserves, if any, and (4) paying costs of issuance. The Authorized Representative may determine, with respect to the Series 2020 Bonds, the form of bond and series designation, the manner of disbursement of proceeds of the Series 2020 Bonds, the maturity dates, principal amounts, redemption provisions, interest rates or the method for determining a variable or adjustable interest rate, whether to issue as taxable or tax-exempt bonds, obtain bond insurance or some other form of guaranty or security for the payment of the Series 2020 Bonds, denominations, form, authorized signatory, and other necessary or desirable documents, and other terms and conditions of the Series 2020 Bonds because the same cannot be determined by EWEB at this time.

The Bond Trustee (identified in Section 4 below) as Bond Registrar shall endorse on the Series 2020 Bonds the date of their authentication. Interest on the Series 2020 Bonds shall be payable from the February 1 or August 1 next preceding the date of authentication to which interest shall have been paid; provided, however, that prior to the first payment date, such interest shall be payable from the dated date of the Series 2020 Bonds. The Series 2020 Bonds shall be dated the date of their delivery, shall mature on August 1 in each of the years and in the principal amounts as shown in the Official Statement, consistent with the authority provided or delegated to the Authorized Representative at the time of sale of the Series 2020 Bonds, and it is hereby ratified, confirmed and approved that the final maturity date of the Series 2020 Bonds shall be no later than August 1, 2049.

SECTION 4. Bond Trustee and Bond Registrar. In the Bond Resolution, EWEB appointed U.S. Bank National Association as the initial Bond Trustee (the "Bond Trustee") and Bond Registrar (the "Bond Registrar") with respect to the Series 2020 Bonds.

SECTION 5. Security for Series 2020 Bonds. The Series 2020 Bonds shall not be general obligations of the City or EWEB, nor a charge upon the City's tax revenues, but shall be payable solely from the revenues and funds that EWEB pledges to the payment of the Series 2020 Bonds pursuant to ORS 287A.150 *et seq.* The Series 2020 Bonds shall be secured by a lien on the Revenues of the Electric Utility System that is equal in priority to the lien of the Outstanding Bonds and any additional Bonds. The Outstanding Bonds (including the Series 2020 Bonds) shall be secured as set forth in the Bond Resolution.

SECTION 6. Application of Series 2020 Bond Proceeds. The Series 2020 Bond proceeds shall be applied as follows with the amounts to be determined by the Authorized Representative:

(a) A portion of the proceeds of the Series 2020 Bonds shall be deposited into the Series 2020 Construction Fund described in Section 7;

(b) A portion of the proceed of the Series 2020 Bonds shall be deposited with the Bond Trustee and used to refund and defease a portion of the 2012 Bonds;

(c) A portion of the proceeds of the Series 2020 Bonds may be used to fund any reserve for the Series 2020 Bonds not funded with cash; and

(d) A portion of the proceeds of the Series 2020 Bonds shall be applied to the payment of fees and expenses in connection with the issuance and sale of the Series 2020 Bonds.

SECTION 7. Construction Fund. There is hereby created a separate fund or account of EWEB to be known as the “Series 2020 Construction Fund” to be held by EWEB. Money in the Series 2020 Construction Fund shall be applied solely to the reimbursement and payment of the costs related to the Project. Money shall be paid out of the Series 2020 Construction Fund by EWEB in accordance with the Tax Certificate and procedures prescribed by EWEB. The Authorized Representative may elect to pay the fees and expenses from the Construction Fund or another fund or account.

SECTION 8. Reserve Account. In connection with the issuance of the Series 2020 Bonds, the Authorized Representative is hereby authorized (i) to determine that the Series 2020 Bonds will be secured by the Reserve Account and calculate the Reserve Requirement in accordance with the provisions of the Bond Resolution and to make any payments in connection therewith or (ii) to determine that the Series 2020 Bonds will be secured by a separate reserve account and calculate the reserve requirement and provide for its funding as permitted by Section 2.02(c) of the Bond Resolution, which reserve requirement may be zero. The Authorized Representative is hereby authorized to execute any agreement (including, but not limited to, an agreement to purchase a reserve fund surety bond) in connection therewith. If applicable, any deficiency in the Reserve Account upon issuance of the Series 2020 Bonds shall be funded with proceeds of the Series 2020 Bonds, cash, surety bond, insurance policy, or a combination thereof, in accordance with Section 2.02 of the Bond Resolution. The Authorized Representative is authorized to purchase an insurance policy to fund a portion of the Reserve Requirement for the Outstanding Bond.

SECTION 9. Book-Entry System of Ownership. During any time that the Series 2020 Bonds are held in a book-entry only system (the “Book-Entry System”), the registered owner of all of the Series 2020 Bonds shall be The Depository Trust Company, New York, New York (“DTC”), and the Series 2020 Bonds shall be registered in the name of Cede & Co., as nominee for DTC. EWEB has entered into a Blanket Issuer Letter of Representations (the “Letter”) wherein EWEB represents that it will comply with the requirements stated in DTC’s Operational Arrangements as they may be amended from time to time.

Under the Book-Entry System, the Series 2020 Bonds shall be initially issued in the form of a single fully registered certificate, one for each series and maturity of the Series 2020 Bonds. Upon initial issuance, the ownership of such Series 2020 Bonds shall be registered by the Bond Registrar on the registration books in the name of Cede & Co., as nominee of DTC. EWEB and the Bond Registrar may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2020 Bonds registered in its name for the purposes of payment of the principal of, redemption price of, and premium, if any, or interest on the Series 2020 Bonds, selecting the Series 2020 Bonds or portions thereof to be redeemed, if any, giving notice as required under this Supplemental Resolution, registering the transfer of Series 2020 Bonds, obtaining any

consent or other action to be taken by the Bondholders and for all other purposes; and neither the Bond Registrar nor EWEB shall be affected by any notice to the contrary. EWEB and the Bond Registrar shall not have any responsibility or obligation to any person claiming a beneficial ownership interest in the Series 2020 Bonds under or through DTC or any participant in DTC (a "Participant"), or any other person which is not shown on the registration books of the Bond Registrar as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Series 2020 Bonds; any notice or direction which is permitted or required to be given to or received from Bondholders under this Supplemental Resolution; the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the Series 2020 Bonds; or any consent given or other action taken by DTC as Bondholder; nor shall any DTC Participant or any such person be deemed to be a third party beneficiary of any Bondholders' rights under this Supplemental Resolution. The Bond Registrar shall pay from money available hereunder all principal of and premium, if any, and interest on the Series 2020 Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge EWEB's obligations with respect to the principal of and premium, if any, and interest on the Series 2020 Bonds to the extent of the sum or sums so paid. So long as the Series 2020 Bonds are held in the Book-Entry System, no person other than DTC shall receive an authenticated Series 2020 Bond for each separate stated maturity evidencing the obligation of the Bond Registrar to make payments of principal of and premium, if any, and interest pursuant to this Supplemental Resolution. Upon delivery by DTC to the Bond Registrar of DTC's written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Supplemental Resolution with respect to transfers of Series 2020 Bonds, the term "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

At any time it determines that it is in the best interests of the Bondholders or EWEB, EWEB may notify the Bond Registrar, and the Bond Registrar will subsequently notify DTC, whereupon DTC will notify the DTC Participants, of the availability through DTC of Series 2020 Bond certificates. In such event, the Bond Registrar shall issue, transfer and exchange, at EWEB's expense, Series 2020 Bond certificates as requested in writing by DTC in appropriate amounts at the principal office of the Bond Trustee. DTC may determine to discontinue providing its services with respect to the Series 2020 Bonds at any time by giving written notice to the Bond Registrar and discharging its responsibilities under applicable law. If DTC resigns as securities depository for the Series 2020 Bonds, Series 2020 Bond certificates shall be delivered pursuant to this Section 9. Under such circumstances (if there is no successor securities depository), the Bond Registrar shall be obligated to deliver Series 2020 Bond certificates as described in this Supplemental Resolution, provided that the expense in connection therewith shall be paid by EWEB. In the event Series 2020 Bond certificates are issued, the provisions of this Supplemental Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, premium, if any, and interest on such Series 2020 Bonds. Whenever DTC requests the Bond Registrar to do so, the Bond Registrar will cooperate with DTC in taking appropriate action after written notice (a) to make available one or more separate certificates evidencing the Series 2020 Bonds to any DTC Participant having Series 2020 Bonds credited to its DTC account, or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2020 Bonds.

EWEB will not be responsible or liable for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC, its Participants or persons acting through such Participants or for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owner of the Series 2020 Bonds.

SECTION 10. Redemption and Purchase Provisions. The Series 2020 Bonds may be subject to optional and mandatory redemption as determined by the Authorized Representative. Notice of any redemption of Series 2020 Bonds shall be provided for in the manner set forth in this Supplemental

Resolution, the Letter or approved by the Authorized Representative. Any notice of optional redemption may state that the optional redemption is conditional upon receipt by the Bond Registrar of money sufficient to pay the redemption price of such Series 2020 Bonds or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission or of the failure of any such condition shall be given by the Bond Registrar to affected Bondholders as promptly as practicable upon the failure of such condition or the occurrence of such other event, and on or prior to the date fixed for redemption.

(a) Notice of Redemption (Book-Entry). So long as the Series 2020 Bonds are in the Book-Entry System, the Bond Registrar shall notify DTC of an early redemption no fewer than 20 calendar days nor more than 60 calendar days prior to the date fixed for redemption, and shall provide such information as required by the Letter or another letter of representation submitted to DTC in connection with the issuance of the Series 2020 Bonds. Official written notice of redemption will be given by EWEB to the Bond Registrar at least five calendar days prior to the date the notice is scheduled to be sent to DTC.

(b) Notice of Redemption (No Book-Entry). During any period in which the Series 2020 Bonds are not in the Book-Entry System, unless waived by any Bondholder of the Series 2020 Bonds to be redeemed, official notice of any redemption of Series 2020 Bonds shall be given by the Bond Registrar on behalf of EWEB by mailing a copy of an official redemption notice by first class mail, postage prepaid, no fewer than 20 calendar days nor more than 60 calendar days prior to the date fixed for redemption, to the Bondholders of the Series 2020 Bonds to be redeemed at the address shown on the bond register or at such other address as is furnished in writing by such Bondholder to the Bond Registrar. Official written notice of redemption will be given by EWEB to the Bond Registrar at least five calendar days prior to the date the notice is scheduled to be sent to Bondholders of the Series 2020 Bonds.

(c) Effect of Redemption. Interest on each Series 2020 Bond called for redemption shall cease to accrue on the date fixed for redemption, unless either the notice of optional redemption is rescinded as set forth above, or money sufficient to effect such redemption is not on deposit in the Bond Fund or in an escrow account established to refund or defease the Series 2020 Bonds.

(d) Purchase of Series 2020 Bonds. EWEB reserves the right to purchase any or all of the Series 2020 Bonds offered to EWEB at any time at any price acceptable to EWEB plus accrued interest to the date of purchase.

SECTION 11. Findings and Determinations: Authority for Supplemental Resolution: Bonds are “Bonds” under the Bond Resolution. EWEB hereby finds:

(a) The Series 2020 Bonds are issued under the authorization of Section 7 of the Bond Resolution and are “Bonds” within the meaning of the quoted words as defined and used in the Bond Resolution.

(b) All acts and conditions required to exist, to happen and to be performed precedent to and in the issuance of the Series 2020 Bonds exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of Oregon, the Charter of the City of Eugene, the Bond Resolution, and the City Resolutions.

(c) Except for supplemental resolutions, the Bond Resolution has not been amended, supplemented, or repealed since adoption thereof. This Supplemental Bond Resolution supplements the

Bond Resolution, constitutes and is a “Supplemental Resolution” within the meaning of the quoted words as defined and used in the Bond Resolution and is adopted pursuant to and under authority of the Bond Resolution.

(d) There does not exist an “Event of Default” within the meaning of such quoted term as defined in Section 13 of the Bond Resolution, nor does there exist any condition which, after passage of time, would constitute such an “Event of Default.”

(e) The Series 2020 Bonds: (i) shall be entitled to the benefits, security and protection of the Bond Resolution, equally and ratably with one another and with any other Bonds heretofore or hereafter issued thereunder; (ii) shall be payable as provided in the Bond Resolution solely from the Revenues and other money specified in the Bond Resolution on a parity with one another and with all Bonds heretofore or hereafter issued under the Bond Resolution; and (iii) shall be equally and ratably secured under the Bond Resolution with one another and with all Bonds hereafter issued thereunder, without priority by reason of series, number, date of adoption of the supplemental resolution providing for the issuance thereof, date of Bonds, date of sale, date of execution, date of issuance, date of delivery, or otherwise, by the liens, pledges, charges and assignments created by the Bond Resolution.

(f) The Board hereby affirms the covenants contained in Section 10 and other provisions of the Bond Resolution.

SECTION 12. Tax-Exempt Status and Covenant as to Arbitrage.

(a) Preservation of Tax Exemption for Interest on the Tax-Exempt Series 2020 Bonds. EWEB covenants that it will take all actions necessary to prevent interest on the tax-exempt Series 2020 Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the tax-exempt Series 2020 Bonds or other funds of EWEB treated as proceeds of the tax-exempt Series 2020 Bonds that will cause interest on the tax-exempt Series 2020 Bonds to be included in gross income for federal income tax purposes. EWEB also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the tax-exempt Series 2020 Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the tax-exempt Series 2020 Bonds.

(b) Post-Issuance Compliance. An Authorized Representative is authorized and directed to review and update EWEB’s written procedures to facilitate compliance by EWEB with the covenants in this Supplemental Resolution and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the tax-exempt Series 2020 Bonds from being included in gross income for federal tax purposes, maintain the tax treatment of the tax-exempt Series 2020 Bonds and the receipt of interest thereon.

SECTION 13. Refunding of the Refunded Bonds. The Board authorizes the Authorized Representative to approve the Series 2012 Bonds to be refunded by the Series 2020 Bonds (the “Refunded Bonds”), to appoint U.S. Bank National Association as Refunding Trustee, establish the terms for the refunding and the redemption of the Refunded Bonds, and set forth other provisions for such refunding (the “Refunding Plan”).

(a) Use of Series 2020 Bond Proceeds; Acquisition of Acquired Obligations. The Authorized Representative may determine not to proceed with all or part of the Refunding Plan if interest rates are not favorable. A sufficient amount of the proceeds of the sale of the Series 2020 Bonds shall be deposited immediately upon the receipt thereof with the Refunding Trustee and used to discharge the obligations of

EWEB relating to the Refunded Bonds under the Bond Resolution by providing for the payment of the amounts required to be paid by the Refunding Plan. To the extent practicable, such obligations shall be discharged fully by the Refunding Trustee's simultaneous purchase of the Acquired Obligations, bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide, together with a beginning cash balance, if necessary, for the payment of the amount required to be paid by the Refunding Plan. Any Series 2020 Bond proceeds or other money deposited with the Refunding Trustee not needed to purchase the Acquired Obligations and provide a beginning cash balance, if any, and pay the costs of issuance of the Series 2020 Bonds shall be returned to EWEB at the time of delivery of the Series 2020 Bonds to the initial purchaser thereof and deposited in the Bond Fund to pay interest on the Series 2020 Bonds coming due on the first interest payment date.

(b) Substitution of Acquired Obligations. Prior to the purchase of any Acquired Obligations by the Refunding Trustee, EWEB reserves the right to substitute other direct, noncallable obligations of the United States of America ("Substitute Obligations") for any of the Acquired Obligations and to use any savings created thereby for any lawful EWEB purpose if, (a) in the opinion of EWEB's bond counsel, the interest on the tax-exempt Series 2020 Bonds and the Refunded Bonds will remain excluded from gross income for federal income tax purposes under Sections 103, 148, and 149(d) of the Code, and (b) such substitution shall not impair the timely payment of the amounts required to be paid by the Refunding Plan, as verified by a nationally recognized independent certified public accounting firm.

After the purchase of the Acquired Obligations by the Refunding Trustee, EWEB reserves the right to substitute therefor cash or Substitute Obligations subject to the conditions that such money or securities held by the Refunding Trustee shall be sufficient to carry out the Refunding Plan, that such substitution will not cause the tax-exempt Series 2020 Bonds or the Refunded Bonds to be arbitrage bonds within the meaning of Section 148 of the Code and regulations thereunder in effect on the date of such substitution and applicable to obligations issued on the issue dates of the Series 2020 Bonds and the Refunded Bonds, as applicable, and that EWEB obtain, at its expense: (1) a verification by a nationally recognized independent certified public accounting firm acceptable to the Refunding Trustee confirming that the payments of principal of and interest on the substitute securities, if paid when due, and any other money held by the Refunding Trustee will be sufficient to carry out the Refunding Plan; and (2) an opinion from bond counsel to EWEB, to the effect that the disposition and substitution or purchase of such securities, under the statutes, rules, and regulations then in force and applicable to the Series 2020 Bonds, will not cause the interest on the tax-exempt Series 2020 Bonds or the Refunded Bonds to be included in gross income for federal income tax purposes and that such disposition and substitution or purchase is in compliance with the statutes and regulations applicable to the Series 2020 Bonds. Any surplus money resulting from the sale, transfer, other disposition, or redemption of the Acquired Obligations and the substitutions therefor shall be released from the trust estate and transferred to EWEB to be used for any lawful EWEB purpose.

(c) Administration of Refunding Plan. The Refunding Trustee is authorized and directed to purchase the Acquired Obligations (or substitute obligations) and to make the payments required to be made by the Refunding Plan from the Acquired Obligations (or substitute obligations) and money deposited with the Refunding Trustee pursuant to this Supplemental Resolution. All Acquired Obligations (or substitute obligations) and the money deposited with the Refunding Trustee and any income therefrom shall be held irrevocably, invested and applied in accordance with the provisions of this Supplemental Resolution, ORS Chapter 287A and the Refunding Trust Agreement. All necessary and proper fees, compensation, and expenses of the Refunding Trustee and all other costs incidental to the setting up of the escrow to accomplish the refunding of the Refunded Bonds and costs related to the issuance and delivery of the Series 2020 Bonds shall be paid out of the proceeds of the Series 2020 Bonds.

(d) Authorization for Refunding Trust Agreement. To carry out the Refunding Plan provided for by this Supplemental Resolution, the Authorized Representative is authorized to execute and deliver to the Refunding Trustee a Refunding Trust Agreement setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the payment, redemption, and retirement of the Refunded Bonds as provided herein and stating that the provisions for payment of the fees, compensation, and expenses of such Refunding Trustee set forth therein are satisfactory to it.

(e) Call for Redemption of the Refunded Bonds. EWEB calls for redemption on such date as determined by the Authorized Representative, all of the callable Refunded Bonds at par plus accrued interest. Such call for redemption shall be irrevocable after the delivery of the Series 2020 Bonds to the initial purchaser thereof. The date on which the Refunded Bonds are herein called for redemption is the first date on which those bonds may be called.

The proper EWEB officials are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required, pursuant to the Bond Resolution in order to effect the redemption prior to their maturity of the Refunded Bonds.

SECTION 14. Delegation and Approval for Establishment of Terms and Sale of the Series 2020 Bonds. Subject to the provisions of Section 3, and as provided in the City Resolutions, Resolution No. 1712, and Resolution No. 2002, all actions heretofore taken or to be taken in connection with the Series 2020 Bonds are hereby approved in all respects including, without limitation, actions taken or to be taken by an Authorized Representative and the Authorized Representative is hereby delegated to:

(a) establish the principal and interest payment dates, principal amounts, taxable or tax-exempt, optional and mandatory redemption provisions and premium or discount, if any, interest rates, denominations and place of payment and all other terms for the Series 2020 Bonds;

(b) make the determinations required by Section 7.02 of the Bond Resolution;

(c) award the sale of the Series 2020 Bonds in accordance with ORS 287A.300, including entering into a bond purchase contract for a negotiated sale;

(d) approve and authorize the preparation and distribution of preliminary and final official statements for the Series 2020 Bonds;

(e) obtain ratings of the Series 2020 Bonds and expend Series 2020 Bond proceeds to pay for such ratings;

(f) take such actions as are necessary to qualify the Series 2020 Bonds for the Book-Entry System of DTC;

(g) execute a Continuing Disclosure Certificate pursuant to Rule 15c2-12 of the Securities and Exchange Commission;

(h) execute and deliver the Series 2020 Bond closing documents and certificates;

(i) enter into covenants regarding the use of the proceeds of the Series 2020 Bonds to maintain the tax-exempt status of the Series 2020 Bonds which are issued as tax-exempt bonds; and

(j) execute a certificate specifying the actions taken pursuant to this Section 14, and any other certificates, documents or agreements that an Authorized Representative determines are desirable to issue, sell and deliver the Series 2020 Bonds in accordance with this Supplemental Resolution.

SECTION 15. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Series 2020 Bonds by those who shall own the same from time to time, the provisions of this Supplemental Resolution shall be part of the contract of EWEB with the Bondholders and shall be deemed to be and shall constitute a contract between EWEB and the Bondholders. The covenants, pledges, representations and warranties contained in this Supplemental Resolution, the Bond Resolution and in the closing documents executed in connection with the Series 2020 Bonds including without limitation EWEB's covenants and pledges contained in the Bond Resolution and the other covenants and agreements herein set forth to be performed by or on behalf of EWEB shall be contracts for the equal benefit, protection and security of the Bondholders, all of which shall be of equal rank without preference, priority or distinction of any of the Series 2020 Bonds over any other Bonds, except as expressly provided in or pursuant to this Supplemental Bond Resolution or the Bond Resolution.

SECTION 16. Effect of Section Headings. The heading or titles of the several Sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Supplemental Resolution.

SECTION 17. Repeal of Inconsistent Resolutions. Any prior resolution of EWEB, or any portion thereof, in conflict or inconsistent with this Supplemental Resolution is hereby repealed to the extent of such conflict or inconsistency.

SECTION 18. References to Statutes in Bond Resolution. Except as expressly provided herein to the contrary, all references to statutes in the Bond Resolution that have been amended, superseded or re-codified by applicable statutes of similar purpose shall be deemed from and after the effective date of such amendment, supersession or re-codification to refer to such statutes as so amended, superseded or re-codified.

SECTION 19. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 4th day of February, 2020.

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 EWEB at its February 4, 2020 Board Meeting.

Assistant Secretary

**RESOLUTION NO. 2011
FEBRUARY 2020**

**EUGENE WATER & ELECTRIC BOARD
BOARD APPOINTMENTS, BOARD COMMITTEES,
ADVISORY COMMITTEES AND OUTSIDE LIAISONS**

WHEREAS, Board Policy GP12 provides for the use of committees, outside appointments and liaisons to staff work as a means of gathering and disseminating information, representing the Board and providing preliminary input to Board decisions; and

WHEREAS, Board Policy GP12 further states that all committees, outside appointments and liaisons be created by resolution and that all appointments to said committees, outside appointments and liaisons be made via resolution; and

WHEREAS, the Board met on January 7, 2020 and discussed potential appointments to current and existing committees, outside organizations and internal project teams; and

NOW, THEREFORE, BE IT RESOLVED that the Eugene Water & Electric Board appoints the stipulated individuals to the following committees, appointments and liaisons for the year 2020 or as otherwise indicated.

Lane Council of Governments (LCOG) - Provides coordination among Lane County governmental agencies. Term of organization is ongoing, term of appointment is annual, and Sonya Carlson is primary appointee with no designated alternate.

McKenzie Watershed Council - Fosters better stewardship of the McKenzie Watershed resources through voluntary partnerships and collaboration. Term of organization is ongoing. Term of appointment is annual, and designated EWEB staff is primary appointee with no designated commissioner alternate for staff support.

Other Post Employment Benefits (OPEB) - A Commissioner is not a voting member of the Section 115 Trust that has been set up to oversee EWEB contributions to the trust, the investment of funds, and measurement of the unfunded liabilities of the retiree medical plan. Term of appointment is ongoing and John Brown is the appointee.

Northwest Public Power Association (NWPPA) - NWPPA is an organization in the Western U.S. and Canada. They provide training and education, public information, communication, federal legislative coordination, surveys, data and networking opportunities and products and services for the utility industry. Dick Helgeson is the appointee with no designated alternate.

Springfield Utility Board (SUB) - EWEB is interested in partnering with SUB to build a long-term resilient approach to managing multiple waters sources in the metropolitan area. The SUB liaison will assist the General Manager with the exploration of strategic water opportunities. Term of assignment is ongoing, term of appointment is annual, and John Brown is primary appointee with no designated alternate.

Lane Electric Cooperative – The liaison will partner with the General Manager on future discussions and collaboration with Lane Electric Cooperative. Term of assignment is ongoing, term of appointment is annual, and Steve Mital is primary appointee with no designated alternate.

City of Eugene – It is the Board’s desire to partner with the City of Eugene to execute EWEB’s role in decarbonization; in particular energy efficiency, electric and water conservation, low-carbon electricity, and smart electrification. This liaison will collaborate with the City of Eugene on climate related matters and provide the Board periodic reports on discussions with the City. Term of assignment is ongoing, term of appointment is annual and Mindy Schlossberg is the appointee with no designated alternate.

Changes in these assignments may be made at the direction of the Board.

Dated this 4th day of February 2020

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 February 4, 2020 Regular Board Meeting.

Assistant Secretary



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Mital, Schlossberg, Helgeson, Brown and Carlson
FROM: Rod Price, Chief Engineering & Operating Officer; Jeannine Parisi, Customer Relationship Manager
DATE: January 24, 2020
SUBJECT: 2020 Eugene/Springfield Natural Hazard Mitigation Plan
OBJECTIVE: Board Action

Issue

The Federal Emergency Management Agency (FEMA) requires state, tribal, and local governments to develop and adopt hazard mitigation plans as a condition for receiving certain types of non-emergency disaster assistance, including grant funding for mitigation projects. The current Eugene/Springfield Natural Hazard Mitigation Plan (NHMP) expires this month. Participating agencies have updated the NHMP according to FEMA requirements and to reflect current mitigation activities planned.

Background

The NHMP is updated every five years. In general, the plan identifies and prioritizes actions for risk reduction with the intent of building partnerships to reduce the physical and economic losses caused by natural disasters. There are new FEMA requirements associated with the new plan. First, special districts, including EWEB, Springfield Utility Board, and Rainbow Water District, are required to submit a condensed version of the plan as an ‘Annex’ to the community’s overarching NHMP (aka base plan). Second, elected bodies of all jurisdictions covered by the plan, including Special District Boards, are required to adopt the plan once it has gone through the State and Federal review and comment periods. For the EWEB Board of Commissioners, this would include the EWEB Annex, as well as the first several chapters of the base plan covering community hazard vulnerability assessments, the plan development process, and public outreach strategies. Draft versions of these documents were provided for EWEB Board review in June 2019.

Discussion

The draft 2020 NHMP was submitted to the State of Oregon Office of Emergency Management for its review in September 2019. The plan was returned to the City with feedback on two issues relevant to EWEB:

- 1) If the special district rated a hazard differently than was rated in the base plan, explain the different categorization.
- 2) Describe how the actions listed in the plan are cross-referenced/reinforced by other relevant policies and plans listed in the Annex.

In response, Management updated EWEB's annex as included in Attachment 1. Related to Table B.4, language was included explaining why EWEB considered geomagnetic disturbances a relative low risk to our assets/customers compared to other natural hazards. Additionally, the following language was added to respond to feedback regarding policy-level commitments to making progress towards the NHMP actions:

Each year, the EWEB's elected Board of Commissioners reviews and adopts the ten-year capital improvement plans for the water and electric utility. Because resiliency is a strategic priority for the utility, the mitigation actions described in the Natural Hazard Mitigation Plan are also reflected in the capital improvement plans. Over the course of the next NHMP five year period, EWEB plans \$204M in electric capital projects and \$95M in water system upgrades. Annual Board review and adoption of the capital improvement plans ensures that mitigation items have both policy-level and financial commitments for implementation, and affords a mechanism to explicitly track project progress or delays in a public meeting setting. Once adopted, EWEB's NHMP priority actions can be included as an attachment to the capital improvement plans to further reinforce integration of the plans.

The City submitted the updated NHMP to FEMA and made it available for review on-line at www.eugene-or.gov/681/Emergency-Plans

Recommendation

On January 13, 2020, FEMA notified the State Office of Emergency Management of its intent to approve the plan as submitted pending formal adoption by participating agencies (see Attachment 2). As noted in its letter, approval of the plan is contingent upon official adoption of the participating agencies, therefore EWEB Board adoption is requested.

In adopting the plan, the Board is committing to working on the mitigation actions described in the EWEB Annex. However, there are no penalties associated with delaying, changing or otherwise not completing any of the listed actions.

Requested Board Action

Move to adopt the 2020 Eugene-Springfield Area Multi-Jurisdictional Natural Hazard Mitigation Plan and direct Management to provide documentation of EWEB Board action as required for FEMA plan approval.

A Eugene Water & Electric Board

NHMP Project Team Member:

Jeannine Parisi, Customer Relations Manager

A.1 Jurisdictional Profile

A.1.1 Introduction

The Eugene Water & Electric Board (EWEB) is the largest publicly owned electric and water utility in Oregon. The City of Eugene (the City) commenced utility operations in 1908 with the purchase of a privately-owned water system. In 1911, upon completion of the City's first municipal hydroelectric power plant, the City organized the Eugene Water Board to operate the City's electric and water utilities. The name of the Eugene Water Board was changed to the Eugene Water & Electric Board in 1949.

EWEB is chartered by the City and supplies electric and water service within the city limits of Eugene and to certain areas outside the city limits. Employing about 500 people, EWEB operates as a primary government, and is not considered a component unit of the City. EWEB is governed by a five-member Board of Commissioners who are elected by voters residing in the City. The Board is responsible for the adoption of this plan and funding for priority activities. The General Manager will oversee plan implementation

- **Population served:** 168,916 (2017 estimate, U.S. Census Bureau)
- **Land area served:** 236 square miles
- **Land area owned:** 44.15 square miles

This annex notes EWEB specific variances from the Eugene-Springfield Area NHMP base plan (Sections 1-4, 6). Variances arise due to differing risks faced by EWEB compared to the Cities of Eugene and Springfield. The different risks are due to utility specific regulations, infrastructure, and locations. Unless explicitly expressed by this annex, EWEB complies with the 2020 NHMP. Public outreach activities are located in Appendix B.

A.1.2 Electric System

The Electric System supplies service to 93,000 residential, commercial, and industrial customers within the City of Eugene and areas along the McKenzie River between the cities of Walterville and Vida, where two of EWEB’s hydro-power plants are located.

Power delivered to customers is supplied by the Bonneville Power Administration (BPA) via EWEB-owned generation resources, other contracted resources, and purchases from the wholesale energy markets. EWEB’s power supply sources are primarily hydro-power, but also include wind, biomass, and solar. The electric utility’s 2019 operating budget is \$212 million. The budget for capital improvements is \$37 million and the budget for debt service is \$16 million.

- **Total Electric System Service Area:** 236 square miles
- **Transmission and distribution lines:** 1,300 miles
- **Substations:** 38
- **Utility-owned hydroelectric facilities:** 4

Electric System operating assets historical costs¹ are listed below (Table A-1). A new operating license for the Carmen-Smith Hydroelectric Project was issued in May 2019. Capital improvements at this facility under the new licensing requirements are projected to cost \$116 million. The insured value of all hydro-electric production facilities, which approximates replacement value, is over \$320 million as of March 2019.

The estimated values of major electric assets are listed in below.

Table A-1 Historical Cost	
Major Electric Asset	Historical Cost (As of Dec 2018)
Land	\$8,969,999
International Paper Biomass (Turbine #4)	\$10,363,488
Foote Creek ² Wind Farm	\$11,789,767
Hydro Production ³	\$162,579,170
Transmission	\$84,785,666
Distribution	\$313,808,256

¹ Cost when the asset was first placed in service and capital improvement costs to that asset over time.

² Windfarm located in Carbon County, Wyoming, co-owned with Pacific Power Corp.

³ Includes \$29 million for the Stone Creek Hydroelectric project located on Clackamas River, Oregon.

General Plant ⁴	\$158,027,521
Telecommunications	\$19,452,088
Completed Construction, not yet classified	\$16,979,283
Construction Work in Progress	\$16,972,396
TOTAL:	\$803,727,634

Source: EWEB

Current and Anticipated Service Trends

Studies commissioned by the City of Eugene estimate the area’s population will grow by 34,000 people by 2031, or by an average annual rate of 1.4 percent. However, unless a large industrial facility locates in our service territory, electric consumption trends are expected to stay relatively flat, with most new customers served through existing facilities and energy resources. This is due to higher energy efficient buildings and equipment, use of natural gas for heating and industrial uses, and the on-going success of utility energy conservation programs.

A.1.3 Water System

EWEB provides treated drinking water to 61,000 residential, commercial, industrial, and public sector customers within its Eugene service territory. EWEB also supplies wholesale water to the River Road and Santa Clara water districts in unincorporated North Eugene and has wholesale water contracts with the City of Veneta and the Willamette Water Company.

The water utility maintains three water rights for drinking water at a single point of delivery on the McKenzie River. EWEB efforts to diversify water supply sources include a groundwater permit issued in 2008 and a surface water registration and permit issued on the Willamette River. Water permits will not be certificated until a sufficient volume of water from these sources is distributed for municipal use.

Raw water is collected via two river intake structures located at Hayden Bridge in Springfield and delivered to a nearby treatment plant. The water treatment plant pre-treats, filters, and treats the raw water for consumption. Two large transmission lines in a seven-mile long corridor bring treated water to the Eugene city limits. From there, transmission and distribution pipelines deliver water to customers.

EWEB operates three primary baseline reservoirs to store water, and a number of smaller reservoirs at upper elevations. Pressure to deliver the water is controlled largely from the filtration plant which is capable of serving approximately 85 percent of EWEB

⁴ Includes electric utility portion of fleet and administration/operational buildings.

consumers. A system of pumps and reservoirs serve EWEB’s remaining consumers. The Water System’s 2019 operating budget is \$20 million. The budget for capital improvements is \$15 million and the budget for debt service is \$5 million.

- Reservoirs: 23 (89 M gallons capacity)
- Pump stations: 27
- Water distribution system: 800 miles

The estimated value of major water utility assets, in historical cost and insured values (when value approximates replacement costs) is listed below (Table A-2).

Major Water Utility Assets	Historical Cost (as of Dec 2018)	Insured Value (as of March 2019)
Land	\$ 1,258,733	-
Hayden Bridge Treatment Plant	\$ 35,742,975	\$ 99,332,597
Source of Supply	\$ 24,411,213	-
Water Transmission & Distribution	\$ 145,416,693	-
Reservoirs/Pumping	\$38,653,795	\$ 74,279,546
General Plant	\$ 37,847,775	-
Completed Construction, net yet classified	\$ 6,418,961	-
Construction Work in Progress	\$ 6,551,690	-

Source EWEB.

Current and Anticipated Service Trends

Similar to the electric utility, water consumption remains nearly flat despite population growth. While annual usage is highly weather dependent, the growth trend is marginal over time due to efficiency standards in plumbing codes and changing irrigation practices. Additional wholesale water contracts to nearby small cities are technically feasible but not likely in the near future.

A.2 Applicable Regulations, Plans

EWEB's elected Board of Commissioners annually reviews and adopts the ten-year capital improvement plans for the water and electric utility. Resiliency is a strategic priority for the utility, therefore the mitigation actions described in the Natural Hazard Mitigation Plan are reflected in the capital improvement plans. Over the next five years, EWEB has plans for \$204M in electric capital projects and \$95M in water system upgrades. Annual Board review and adoption of the capital improvement plans ensures that mitigation action items have both policy-level and financial commitments for implementation and affords a mechanism to explicitly track project progress or delays in a public meeting setting. Once adopted, EWEB's NHMP priority actions will be included as an attachment to the capital improvement plans to further reinforce integration of the plans.

- **Eugene City Charter Chapter X, Section 44:**
Conveys authority to maintain and operate the electric and water utility to the Eugene Water & Electric Board.
- **Eugene City Code 2.175 – 2.212**
Sets forth powers and duties of the Eugene Water & Electric Board.
- **2019 Electric and Water 10-Year Capital Improvement Plans**
Describes routine capital work like pole and water main replacements, specific upgrades over \$1 million such as reservoir rebuilds, and large multi-year projects typically financed through bonds. The \$311 million electric and \$212 million water plans have a strategic focus on reliability and resiliency.
- **2018 – 2022 Water Management and Conservation Plan**
Required submission to Oregon Water Resources Board that includes water curtailment response.
- **2016 Emergency Action Plans for Carmen-Smith Hydroelectric Project and Leaburg/Waltermville Power Canals**
Provides guidance to EWEB staff and emergency response personnel to safeguard the lives and property of people living in close proximity to and downstream of EWEB hydroelectric facilities; required and approved by the Federal Energy Regulatory Commission.
- **2015 EWEB Water System Master Plan**
Outlines long term planning options for resiliency, reliability and optimization of EWEB's water System.
- **2012 EWEB Emergency Water Supply Plan**
Analyzes options for secondary drinking water supplies and outlines a path forward to provide provisional water to EWEB customers.

- **Mutual Aid Agreements for Electric Restoration Efforts**
 - Lane Mutual Aid Agreement (2017)
 - Western Region Mutual Assistance Agreement (2014)
 - EWEB, Rainbow Water District, and Springfield Utility Board Mutual Aid Agreement (2006)

- **NERC Emergency Operations Plans**

Specifies electric load shedding required under emergency conditions. Dictates communications with outside electrical supply entities and required restoration actions and coordination.

A.3 Jurisdiction-Specific Natural Hazard Event History

Table A-3 lists past occurrences of natural hazards affecting EWEB over the past 15 years and the damage received to EWEB assets for each incident.

Table A-3 Natural Hazard Events			
Type of Event	FEMA Disaster # (if applicable)	Date	Preliminary Damage Assessment
Severe Winter Storm	TBD	February 25 – March 4, 2019	\$4.3M
Windstorm	N/A	April 7, 2017	
Winter Storm/Freezing Rain	DR-4296-OR	December 14 -17, 2016	\$4.2 M
Severe Winter Storm	DR-4258-OR	December 6 – 23, 2015	\$195,000
Severe Winter Storm	DR-4169-OR	February 6 – 14, 2014	\$1.9 M
Severe Winter Storm	DR-4055-OR	January 17-21, 2012	\$35,000
Severe Winter Storm		March 21-26, 2012	
Windstorm		March 13 - 16, 2011	
Severe Winter Storm		December 27 – 29, 2008	
Windstorm		February 2-4, 2006	
Windstorm	FEMA-1405-DR-OR	February 7, 2002	\$1.5 M

Source EWEB.

A.4 Hazard Risk Ranking

Table A-4 presents the ranking of hazards of concern, using vulnerability multiplied by probability divided by capacity to calculate and prioritize total risk to Eugene Water and Electric Board (see Section 4.2.2, Components of Risk Analysis, for an explanation of the Risk Metrics). These are the identified hazards to EWEB and may vary from those listed in Section 1, Table 1-1.

Hazard	Vulnerability High = 3 Moderate = 2 Low = 1	Probability High = 3 Moderate = 2 Low = 1	Capacity High Capacity = 3 Moderate = 2 Low = 1	Risk Total <1.5 = Low 1.5-2.9 = Moderate 3-4.5 = High >4.5 = Very High	Risk
Earthquake	3	2	1	6	Very High
Windstorm	3	3	2	4.5	High
Winter storm	3	3	2	4.5	High
Wildfire	2	3	2	3	High
Flood - Riverine	2	2	2	2	Moderate
Drought	1	3	2	1.5	Moderate
Geomagnetic Disturbance	1	2	2	1	Low
Landslide	1	2	2	1	Low
Volcano	1	1	3	.33	Low

Source EWEB.

As Table A-4 above indicates, EWEB’s risk ranking is nearly identical to the planning area. The one exception is geomagnetic disturbances, which ranked low in EWEB’s evaluation. As a local utility, EWEB manages relatively little electric transmission infrastructure, which is most sensitive to this phenomena therefore our asset vulnerability is comparatively small. Further, events of this nature are managed proactively by the Bonneville Power Administration which has protocols and actions EWEB would take to shed electric load in advance of a predicted event and

requirements EWEB would follow during an actual geomagnetic disturbance to limit damage to our systems.

A.5 Evaluation of Recommended Action Items

Table A-5 lists the initiatives that make up the EWEB hazard mitigation plan. EWEB is the lead agency and funding source for these initiatives unless otherwise noted.

New Assets	Existing Assets	Hazard Mitigated	Mitigation Action	Estimated Cost	Timeline
	X	Earthquake, Geomagnetic disturbances	Seismic upgrades of critical facilities: Rebuild Currin Substation using IEEE ⁵ standards to reduce risk of interference with electrical equipment from geomagnetic disturbances.	\$750K ⁶ (substation)	2020-2021
X	X	Earthquake	Seismic upgrade of critical facilities: Changes to EWEB Roosevelt Operations Center (ROC) to remain operational after earthquake event; move EWEB dispatch into ROC from EWEB Headquarters and build new back-up control center in seismically sound building at Hayden Bridge.	\$3.5 M	2019-2025
	X	Earthquake	Seismically anchor transformers, and control building, and add flexible bus connections at nine substations.	\$1.2 M	2019-2027
X		Multi-Hazard (earthquake, flood-riverine, winter storms, windstorms, geomagnetic disturbances)	Seismic upgrade to critical facilities: New Holden Creek Substation built to seismic standards replacing Leaburg Substation on riverbank using IEEE standards; removes 17 miles overhead electric lines.	\$7.5M	2018-2020

⁵ Institute of Electrical and Electronics Engineers (IEEE) 693

⁶ Total project cost of Currin Substation Rebuild is estimated at \$7.5M. Only costs associated with seismic upgrade, estimated at 10% of new construction overall costs, are included.

Table A-5 Hazard Mitigation Action Items

New Assets	Existing Assets	Hazard Mitigated	Mitigation Action	Estimated Cost	Timeline
			Add second transformer for resiliency.		
X		Earthquake	Replace baseline reservoirs ⁷ with seismic-code facilities	\$10M per site	2023 (first reservoir)
X		Earthquake, Landslide	Use all-restraint water mains in areas prone to landslides	2 times cost of standard pipe	2030
X		Earthquake, Flood-Riverine	Replace gaseous chlorine at filtration plant with on-site liquid hypochlorite system with 90 days on-site storage	\$3.5M	2019
	X	HazMat	Change out mineral oil to non-toxic FR3 ⁸ in new transformers to reduce spill risk when poles fall or transformers fail, focusing on 427 upriver transformers.	Approx. \$800k/year	2030
X		Multi-Hazard (earthquake, wildfire, drought)	Establish micro-grids and emergency pumping and filtration systems at critical facilities for drinking water distribution and independent electric operation. Micro-grids at Howard Elementary School has been installed, and a 1 MW system at EWEB Roosevelt Operations Center are currently under development.	\$1M per site ⁹	2018 - 2023
	X	Multi-Hazard (earthquake, wildfire, volcano, windstorm)	Test blackstart capabilities, load requirements, and transmission switching needs for Leaburg hydro-electric plant to power critical facilities in Eugene during major outages.	\$50,000	2019 - 2023

⁷ EWEB has three ‘base’ elevation reservoirs that serve over 80% of our customers.

⁸ FR3 fluid is a natural ester derived from renewable vegetable oils – providing improved fire safety, transformer life/loadability, and environmental benefits.

⁹ Howard Elementary School installation supported in part by Oregon Department of Energy grant (\$300k).

Table A-5 Hazard Mitigation Action Items

New Assets	Existing Assets	Hazard Mitigated	Mitigation Action	Estimated Cost	Timeline
	X	Multi-Hazard (windstorm, winter storms)	Re-frame 4.3 miles of electric line and undergrounding 1.5 miles of line in 15 high outage areas.	\$2.7M ¹⁰	2019-2020
X		Multi-Hazard (earthquake, wildfire, drought)	Develop emergency water distribution sites using wells at area schools/community centers – two sites completed, and three other sites are in design or construction.	\$200K per site	2018 - 2023
X		Multi-Hazard (earthquake, wildfire, drought)	Construct new water filtration plant on the Willamette River for secondary source of supply and treatment/delivery options for drinking water.	\$50M	2023-2030
X		Multi-Hazard (earthquake, wildfire, drought)	Construct and test mobile treatment trailer that can deliver potable water from sources like rivers or pools.	\$80,000	2020

Table A-6 below lists the action items contained in EWEB’s hazard mitigation plan and identifies the priority for each item based on probable benefits, funding availability and project timeline. It is not intended to act as a formal cost/benefit analysis.

Table A-6 Mitigation Strategy Priority

Mitigation Action Item	Hazards Mitigated	Costs	Benefits	Benefits Equal or Exceed Cost?	Grant Eligible ?	Can be funded under existing programs or budgets?	Priority
Rebuild/Seismic Upgrades to Currin Substation	Earthquake, GMDs	Low	Moderate	Yes	Yes	Yes	High

¹⁰ \$1.5M of project funded via FEMA Public Assistance grant award (DR-4296) following 2016/17 winter storms.

Table A-6 Mitigation Strategy Priority

Mitigation Action Item	Hazards Mitigated	Costs	Benefits	Benefits Equal or Exceed Cost?	Grant Eligible ?	Can be funded under existing programs or budgets?	Priority
Seismic Upgrades to Critical Facilities: EWEB Operations and Dispatch	Earthquakes	Moderate	Moderate	Yes	Yes	Yes	Moderate
Anchor Substation Transformer	Earthquake	Moderate	Moderate	Yes	Yes	Yes	High
Replace Leaburg Substation w/New Holden Creek Substation	Earthquakes, Multi-hazard	Low	High	Yes	Yes	Yes	High
Rebuild/Rebuild Baseline Reservoirs	Earthquakes	Moderate	Moderate	Yes	Yes	Yes	Moderate
All-Restraint Water Mains	Earthquake, Landslide	Moderate	Moderate	Yes	Yes	Varies	Low
Build Hypochlorite System at Filtration Plant	HazMat, Earthquake, Riverine flood	Moderate	High	Yes	N/A	Yes	High
Replace Mineral Oil with FR3 in Transformers	Earthquakes, Multi-hazard	Low	Moderate	Yes	N/A	Yes	Low
Establish Micro-Grids @ Emergency Facilities	Multi-Hazard (Earthquake, Wildfire, Drought, HazMat Spill)	Moderate	Low	No	Varies	No	Low
Enable Localized Generation to Power Critical Facilities	Multi-Hazard (Earthquake, Wildfire, Volcano, Windstorm)	Moderate	Moderate	Yes	Varies	Yes	Moderate

Table A-6 Mitigation Strategy Priority

Mitigation Action Item	Hazards Mitigated	Costs	Benefits	Benefits Equal or Exceed Cost?	Grant Eligible ?	Can be funded under existing programs or budgets?	Priority
Undergrounding/Re-Framing Electric Distribution	Winter Storm, Windstorm	Low	High	Yes	Yes	Yes	High
Develop Emergency Water Distribution Sites	Multi-Hazard (Earthquake, Wildfire, Drought, HazMat Spill)	Low	Moderate	Yes	Yes	Yes	High
Develop Emergency Water Distribution Sites	Multi-Hazard (Winter Storm, windstorm, landslide)	Low	Moderate	Yes	Yes	Yes	High
Secondary Water Filtration Plant	Multi-Hazard (Earthquake, Wildfire, Drought, HazMat Spill)	High	High	Yes	No	No	Moderate
Mobile Water Treatment Trailer	Multi-Hazard (Earthquake, Wildfire, Drought, HazMat Spill)	Low	Moderate	Yes	Yes	Yes	High

A.6 Future Needs

EWEB will be conducting a water system risk and resilience assessment in accordance with recent updates to Section 1433 of the Safe Drinking Water Act. This risk assessment of both natural disasters and bio-terrorist attacks is to be submitted to the Environmental Protection Agency by March 31, 2020.

Additional analysis is also planned around improving our ability to isolate and serve critical facilities using just our localized energy resources. Studies planned include modeling the load capabilities of additional generation supplies beyond EWEB hydro-electric facilities such as the University of Oregon natural gas plant and industrial co-

generation plants, and assessing what electric distribution system automation is needed to quickly shed load and redirect power to critical facilities.

As part of our focus on resiliency, the utility will be developing staff evacuation plans for flood/wildfire events and updating EWEB business continuity plans.

A.7 Additional Comments

Since the adoption of the 2014 NHMP, EWEB has completed several initiatives to mitigate community risk to hazards of concern. Some of these were listed in the plan, while others were not included at the time. Action Item updates for the 2014 NHMP are in Appendix A. Some mitigation initiatives completed but not outlined in the 2014 NHMP include:

- Seismic upgrades of critical facilities: a \$3 million upgrade to the Hayden Bridge Filtration Plant was completed in 2017 and constructed the seismically-rated Holden Creek Substation.
- Back-up power at critical facilities: a \$1.0 million project to add back up power to the Hayden Bridge raw water intake system and treatment plan was completed in 2018. The back-up generation is sufficient to deliver 20 million gallons of water per day and has the fuel capacity to run 24- hours without re-fueling.
- Purchased property and completed preliminary design for construction of secondary water treatment plant on the Willamette River (\$2.5M).
- Installed seismic early warning systems at two hydro-electric plants to automate safety actions and reduce risk to life/property in partnership with the University of Oregon (\$25K).
- Provided approximately 15,000 three-gallon emergency water containers to EWEB customers at discounted price to use at emergency distribution sites/mobile trailers, with considerable outreach and education as part of the distribution process (approximately \$100k).
- Purchased and equipped three mobile water distribution trailers to provide emergency drinking water during outages (\$80,000 each). Two trailers were loaned to Salem/Keizer personnel to provide drinking water to residents during a multi-week water curtailment due to algal bloom in summer 2018.
- Completed two emergency water distribution well sites and hosted utility/community drills where residents could fill free water storage containers using distribution equipment and learn how to disinfect water for public use (October 2018 and May 2019). Next step is to create an operating manual so that non-utility personnel can set up and disperse water during emergencies enabling EWEB staff to focus on system repairs and service restoration. Our goal is to have another two sites up and running by the end of 2019.



FEMA

January 13, 2020

Mr. Joseph Murray
State Hazard Mitigation Planner
Oregon Military Department
Office of Emergency Management
P.O. Box 14370
Salem, Oregon 97309

Dear Mr. Murray:

The Federal Emergency Management Agency (FEMA) Region 10 completed a pre-adoption review of the draft *Eugene-Springfield Area Multi-Jurisdictional Natural Hazards Mitigation Plan*. The attached Mitigation Plan Review Tool documents the Region's review and compliance with all required elements of 44 CFR Part 201.6, as well as identifies the jurisdictions participating in the planning process. This letter serves as Region 10's commitment to approve the plan upon receiving documentation of its adoption by participating jurisdictions.

Formal adoption documentation must be submitted to FEMA Region 10 by at least one jurisdiction within one calendar year of the date of this letter, or the entire plan must be updated and resubmitted for review. Once FEMA approves the plan, the jurisdictions are eligible to apply for FEMA Hazard Mitigation Assistance grants.

Please contact Jake Grabowsky, Oregon FIT Hazard Mitigation Community Planner, at (202) 856-1901 or james.grabowsky@fema.dhs.gov with any questions.

Sincerely,


x

Tamra Biasco
Chief, Risk Analysis Branch
Mitigation Division

JG



TO: Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown
FROM: Frank Lawson, General Manager
DATE: February 4, 2020
SUBJECT: Organizational Goals and Performance Measures
OBJECTIVE: Consent Calendar Action

Issue

Draft organizational goals will be established annually that represent the General Manager’s interpretation of the priorities as defined by the Board (Board Policy BL5).

Background

Detailed background information and the resulting draft 2020 organizational goals were presented and discussed at the January 7, 2020 Board Meeting, with clarifications discussed between Commissioners and the General Manager during individual meetings.

As a result of the discussions, Goal #4 was revised to include continuing efforts related to electric system outage prevention and management, and the specific inclusion of wildfire prevention and mitigation as it relates to our utility services.

Board Policy provides that the Board has responsibility for establishing its priorities for the coming year and providing that direction to the General Manager, who will draft new goals. The Board shall identify and define those results or conditions that are acceptable and not acceptable to the Board and communicate them in the form of policy, approval of Strategic Plans, Long-Term Financial Plans, Capital Improvement Plans, annual budget and goals.

Discussion

Consistent with the General Manager’s interpretation of the Board’s operational and strategic priorities, the following annual goals are drafted for Board consideration. The progress toward achievement of these goals will be included as part of the General Manager’s annual performance evaluation, and will be reported quarterly to the Board and public.

The proposed 2020 Organizational Goals are attached.

Recommendation

Having reviewed the goals with Commissioners, it is recommended that the Board approve the 2020 goals as an item contained in the consent calendar.

Requested Board Action

Approval of the 2020 Organizational Goals as included

2020 Organizational Goals

Utility Operations

Goal #1 – Keep our “day-to-day” performance on track by managing utility operations consistent with Board direction including policies, strategic initiatives, and organizational values with a focus in 2020 on maintaining reliability, enhancing cyber security, and fostering productive workforce engagement.

(Key Performance Indicators (KPIs, metrics) will be developed by/for each operating division)

Foster Customer Confidence

Goal #2 Using continuous improvement and good utility practice, standardize and scale the integration of advanced metering infrastructure (AMI) and existing metering technology for the purpose of effective (accurate, timely, secure) and efficient revenue billing, and move-in/out processing.

Goal #3 Streamline and simplify our most common customer interactions, including new self-service options, easy-to-understand bills, and secure ways to pay.

Emergency Preparedness

Goal #4 - Enhance emergency management programs by improving partnerships and public awareness of neighborhood emergency sites, improving electric system resiliency and outage management, and adopting a wildfire mitigation plan.

[For reference only, Goal #4 was previously stated as “heighten public awareness of neighborhood emergency sites, including community partnerships that support existing and additional locations”.]

Goal #5 –Work with Springfield Utility Board to explore a more robust and cooperative water resiliency plan, including potential backup treatment options, interties, and sharing of water resources.

Electric Resource Decisions

Goal #6 –Develop a dynamic electricity supply planning (ESP) methodology, including processes, analytical tools, and reporting and outreach methods, needed to effectively synchronize generation resources with future customer-preferred consumption products.

Goal #7 –Work with the EWEB Commissioners, FERC, and the McKenzie Valley community to develop a TBL-based plan for the lower McKenzie River Hydroelectric Projects by the end of 2020.

Community

Goal #8 – Pursuant to SD15 Climate Change Policy, execute Resolution 1938 supporting State carbon pricing policy, reduce operational GHGs to 40% below 2009 levels, and achieve conservation/energy efficiency and peak-energy reductions in combination with smart electrification to equitably and cost-effectively facilitate the reduction of community carbon emissions by _____ [10,000] MTCO₂e.