

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION**

May 4, 2021

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/2021board-agendas-and-minutes>.

Commissioners Present: Mindy Schlossberg, President; John Brown, Vice President; John Barofsky, Sonya Carlson, Matt McRae, Commissioners

Others Present: Frank Lawson, General Manager; Sarah Gorseger, Purchasing & Warehouse Supervisor; Deborah Hart, Chief Financial Officer; Dick Helgeson, Former EWEB Commissioner; Matthew Miller, Accounting Analyst; Tyler Nice, Electric Operations Manager; Rod Price, Assistant General Manager; Wallace McCullough, Water Engineering Supervisor

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

Agenda Check

There were no changes or additions to the agenda.

Items from Board Members and General Manager

Vice President Brown said that he had recently attended the quarterly Other Post-Retirement Benefits (OPEB) meeting, which contained positive news. He explained the program provides supplemental insurance for the over 500 retirees taking part in the program. He said EWEB contributions to OPEB this year were the smallest in recent history, and the plan's assets grew by \$850,000 over the year.

Vice President Brown announced an upcoming volunteer opportunity in May and June, helping the Oregon Department of Fish and Wildlife (ODFW) sort wild fish and hatchery fish separately at the Leaburg Dam facility.

President Schlossberg thanked EWEB staff for setting up the previous Work Session on Tuesday, April 20, 2021, which was a hybrid of in-person and remote participants. She offered the meeting went well, and its content was very helpful.

Mr. Lawson announced the Northwest Public Power Association (NWPPA) had recently named former EWEB Commissioner and NWPPA Board member Dick Helgeson as the recipient of the NWPPA's Life Membership Award for 2021.

Mr. Lawson thanked US Representative Peter DeFazio and his District Manager for meeting him and other members of EWEB staff up in the McKenzie Valley, to see first-hand the post-fire recovery, and to discuss future plans for protecting the McKenzie Watershed.

Mr. Helgeson expressed gratitude for the award, and to Mr. Lawson for announcing the award to the EWEB Board. He added that, with this award, he would be able to still attend NWPPA meetings.

Public Input via Telephone/Public Input Reading

Stephen Anderson of Eugene asserted that he and other community members felt they were lied to and railroaded concerning the E. 40th water storage project. He said, after he and other community members urged EWEB not to build the first storage tank on the first site (due to the number of old trees that would need to be removed, and the site's proximity to community members' houses), they then received nothing but excuses and platitudes from the utility, giving reasons why EWEB would build on site one, despite protests from the community. Mr. Anderson was equally perturbed—as, according to him, were the other members of this community—at EWEB's sudden decision to build and install both tanks at present, simultaneously. He urged the EWEB Board to rescind its endorsement of building both tanks at the same time, and agree to build only the first tank, and to build it on site 2.

[Joe Harwood for] Tony Daher of Eugene suggested EWEB look into a technology which creates ammonia from air and water, which can be used for electricity storage, and to replace fossil fuels in vehicles, including planes and ships. He added ammonia could replace hydrogen in the fuel cells of those cars which have fuel cells, and it does not release carbon, or pollute our environment.

Approval of Consent Calendar – A MINUTES AND ROUTINE CONTRACTS

MINUTES

1. a. **April 6, 2021 Executive Session**
- b. **April 6, 2021 Regular Session**

CONTRACTS

2. **Brink Brothers, Inc.** - for vegetation removal services from the Holiday Farm fire. \$150,000 (over 5 years) based on a Formal Invitation to Bid.
3. **ERMCO** - for the purchase of Padmounted Transformers (as needed). \$3,410,000 (over 5 years) based on a Formal Invitation to Bid.
4. **General Pacific Inc.** - for the purchase of Deadfront Padmounted Switchgear (as needed). \$695,000 (over 5 years) based on a Formal Invitation to Bid.
5. **ML Houck Construction Company** - for the Cross Street Water Main replacement project. \$402,000 based on a Formal Invitation to Bid.
6. **O'Malley Brothers Corporation** - for additional funds for hauling services. \$47,500. Resulting cumulative total \$184,000 (over 5 years). Based on a Formal Invitation to Bid.

Vice President Brown moved to approve Consent Calendar – A. The motion passed unanimously 5:0.

Approval of Consent Calendar – B

NON-ROUTINE CONTRACTS AND OTHER CONSENT ITEMS

CONTRACTS

7. CXT Incorporated - for the purchase of prefabricated restrooms for the Trail Bridge Campground. \$315,000 based on a Cooperative Contract.

8. Verizon Wireless - for wireless voice, data, and accessories. \$1,000,000 (over 4 years) based on a Cooperative Contract.

RESOLUTIONS

9. Resolution No. 2107- Annual Price Adjustment for Joint Use Charges and Fees.

10. Resolution - Designating Applicant Agent for Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program.

Vice President Brown moved to approve Consent Calendar – B. The motion passed unanimously 5:0.

Reserve Fund Status and Transfers/Use of Reserves

Ms. Hart and Mr. Miller offered the Board a report and PowerPoint presentation on the status of reserve funds, and the use of reserves.

Commissioner Carlson said she was comfortable with the funds transfer, and she looked forward to a Resolution to that end next month.

Commissioner Barofsky inquired about the large debt service scheduled for August 2021. He wondered at the breakdown between the electric side and the water side, as to the servicing of said debt.

Mr. Miller said there was a \$15 million annual payment to debt servicing which came from the electric side, and roughly \$5 million from the water side of the utility.

Both Vice President Brown and Commissioner McRae thanked EWEB financial staff for their hard work and diligence.

Commissioner Barofsky wondered what EWEB's current bond rating was.

Ms. Hart answered EWEB's general across-the-board bond rating was AA.

Since there were no substantial recommendations, Mr. Lawson offered this issue would be brought back before the Board on next month's Consent Calendar, with the Board President's permission.

President Schlossberg said that would be great, and thanked Mr. Lawson for his diligence.

Quarterly Strategic & Operational Report for Q1 2021

Mr. Lawson and Mr. Price offered the Board quarterly strategic and operational reports, with PowerPoint accompaniment.

Commissioner Barofsky wondered what strategies EWEB was employing to try and recruit and retain qualified employees.

Mr. Price admitted to EWEB's hiring challenges, attributing them to: not a lot of people going into technical fields such as metering and engineering, rendering the pool EWEB has to draw from in those areas low, and—in the Eugene area specifically—the lack of unemployment in general, and the lack of available, affordable housing. He said EWEB was developing strategies to attract potential staff while prioritizing work that aligns with EWEB's Strategic Plan.

Vice President Brown wondered what work was not getting done due to open positions at the utility that have been unfilled for over a year.

Mr. Price said EWEB had been working a little more closely with consultants, and that has helped ease the burden of staffing shortages.

Mr. Lawson added that two areas EWEB had been concentrating on were: the tradeoffs between Operation and Maintenance (O&M) and Capital, and the risk-based project category, which can be adjusted without restraints like those on the compulsory and strategic project categories.

Vice President Brown remembered the EWEB Board passing a \$12 million contract to subcontract out the AML installation, and he wondered how that was going, and if EWEB was falling behind in AML installation.

Mr. Price said that contract was specifically for the electric side of the utility, not the water side, and he would be discussing that in the next agenda item: Capital Project Update.

Commissioner Carlson asked if EWEB was experiencing any supply-chain issues.

Mr. Price said no, although prices were trending upward.

Ms. Gorsegrner offered that EWEB had received notices from some of its suppliers saying there will most likely be longer wait times for supplies, which of course would affect project costs. She said her department had been working with key Project Managers to try and get ahead of any supply issues that might come up.

Capital Project Update

Mr. McCullough, Mr. Nice, and Mr. Price offered the Board an update and PowerPoint presentation on EWEB's Capital Plan.

President Schlossberg highlighted the potential for EWEB to receive infrastructure funding from federal and state sources; she wondered how the utility would use that money, and how priority decisions about those possible funds would be reached.

Mr. Lawson replied that some of those monies would be categorical and tied to specific areas or projects within the utility, such as resiliency. He said EWEB currently had more projects than they would be able to fund through this type of infusion, citing EWEB's nearly \$1.125 billion in assets.

Mr. Price added there would be opportunities for joint projects involving EWEB and the City of Eugene, that would potentially qualify for the aforementioned funding.

Mr. Lawson said he believed EWEB's Strategic Plan aligned very well with the potential target funding areas being discussed.

Commissioner McRae asked about the compulsory spending in the Capital Improvement Plan, specifically as it pertained to the water side of the utility; he wondered—given the abrupt and severe rise in prices of building materials—if EWEB's compulsory projects would be affected by those fluctuations.

Mr. Price explained the utility would always prioritize the labor and materials involved in compulsory projects. As an example, he said that currently resources were being diverted from risk-based and strategic work to focus on compulsory projects.

Mr. McCullough further clarified a lot of the utility's compulsory work was based on materials for which EWEB had contracts with suppliers of said materials, offering more price stability.

Commissioner Barofsky wondered if EWEB had a type of project-ranking system in which decisions to simply patch an aging water main, for example, or the decision to completely replace said main were made.

Mr. McCullough replied there were systems in place in which the utility prioritized compulsory projects, with an eye to cost efficiency and necessity.

Commissioner Barofsky urged staff to move swiftly and plan ahead as far as stimulus fund availability was concerned, so the utility was poised to take advantage of those programs.

Correspondence & Board Agendas

Mr. Lawson offered the Board a report on this month's Correspondence and Board Agendas.

Commissioner McRae wondered if, on the upcoming May 18 Work Session agenda, they should add more time for the Wildfire Mitigation item. He also asked if the June 15 Upriver Meeting had a scheduled end time.

Mr. Lawson said the plan was to minimize presentation time at the Upriver Meeting as much as possible, to leave the majority of the time for local residents' questions and feedback. He added that he would look into the Wildfire Mitigation Work Session agenda item to make sure it had as much time in the meeting as necessary.

Commissioner Carlson asked if there was a plan in place in case the County were to return to the Extreme Risk COVID category.

Mr. Lawson said yes, they were planning on a couple more virtual meetings, followed by some hybrid (a combination of virtual and in-person participation) meetings. He added this was of course predicated on Lane County's Risk category.

Vice President Brown pointed out the Governor had moved Lane County back to High Risk just before the beginning of this meeting.

President Schlossberg wanted to make sure that none of the Commissioners felt pressured into joining an in-person meeting if they were not ready or willing to do so.

Commissioner McRae offered that he felt no such pressure.

Commissioner Carlson agreed with Commissioner McRae; she asked if the Commissioners needed to let staff know in advance if they were planning on attending an in-person meeting or not.

Mr. Lawson said a lot of advance notice was not necessary, and that the hybrid meetings were always flexible on who is there in person, and who is there virtually.

Board Wrap-Up

Vice President Brown expressed gratitude to EWEB, and said he was very happy the utility had donated a home to a local family late last year. He added he hoped EWEB would continue cooperating with the Forest Service (USFS) et al. to reduce river flows so the upper river can be navigated and cleared of debris, including trees.

President Schlossberg adjourned the meeting at 7:30 p.m.

Recorded by Rodney Cimburke

Assistant Secretary

President