



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Schlossberg, Brown, Carlson, Barofsky, and McRae
FROM: Anne Kah, Administrative Services Manager
DATE: October 20, 2021 (Board Meeting November 2, 2021)
SUBJECT: June 1, 2021 Regular Session Minutes Amendment
OBJECTIVE: Board Action

Issue

It has come to our attention that the June 1, 2021 Regular Session Minutes that were presented at the July 6, 2021 board meeting contained an error.

The motion to approve Consent Calendar “A” was erroneously stated as Consent Calendar “B”. The amendment appears as follows:

Commissioner Barofsky moved to approve Consent Calendar – ~~BA~~. The motion passed unanimously 5:0.

Requested Board Action

Approve amended version of June 1, 2021 Regular Session Minutes.

Attachments

June 1, 2021 Regular Session Minutes – Amended

EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
June 1, 2021
5:30 P.M.

Commissioners may pose questions to staff prior to the scheduled board meeting. To view Commissioners' pre-meeting questions and staff responses, visit <http://www.eweb.org/about-us/board-of-commissioners/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; Deborah Hart, Chief Financial Officer; Travis Knabe, Chief Information Officer; Rod Price, Assistant General Manager

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

Agenda Check

There were no changes or additions to the agenda.

Items from Board Members and General Manager

Vice President Brown thanked the staff responsible for the recent EWEB Board river float trip. He said it was a great event where they were able to network with elected officials and get educated about watershed recovery efforts. The sentiment was echoed by the rest of the Board.

Mr. Lawson thanked Commissioners for attending a variety of meetings and events over the last six weeks, including a tour of Seneca's Sustainability Cogeneration Plant. He reminded those present that the upriver meeting was scheduled for June 18, 2021, and that it was designed as an information-sharing and upriver customer interaction, which would include brief staff overviews of topics such as watershed restoration and wildfire mitigation, leading to discussion with customers.

Mr. Lawson announced Susan Ackerman was retiring as EWEB's Chief Energy Officer at the beginning of July 2021, and he recognized her for her dedication to the utility, especially her work with the energy group, and on regional energy planning.

President Schlossberg asked Mr. Lawson about the date of the upriver meeting—she said, to her knowledge it was on June 15, not June 18, 2021.

Mr. Lawson said that was correct and apologized for the mistake.

Public Input via Telephone/Public Input Reading

Tana Shepard of Eugene, and representing School District 4J (SD4J), thanked EWEB for its continued support of the school district. She offered that EWEB's support made possible more, and more in-depth science studies in the elementary and middle schools of SD4J. Ms. Shepard mentioned solar and electric car-building, SD4J's Salmon Education Program, and the 4J Climate Justice Team as being made possible through the school district's partnership with EWEB.

Cathy Bechen of Eugene and representing Bethel School District (BSD) thanked EWEB for its support of BSD. Ms. Bechen said, thanks to grant funding from EWEB, BSD was able to provide students with materials for hands-on learning at home, virtual field trips, and emergency preparedness plans.

Pamela Fallon of Blue River and representing the McKenzie School District (MSD) thanked EWEB for its support of MSD. Ms. Fallon offered the Board a brief report on some of the projects the students of MSD were working on including: a sixth-grade future energy program, a second-grade riparian fern-propagating project, and a middle school pollinating garden.

Stephen Anderson of Eugene expressed disappointment and frustration at EWEB's sudden decision to install both storage tanks simultaneously, as part of the E. 40th and Hilyard water storage project. He said EWEB had decided to change plans suddenly, deciding to install both tanks simultaneously, instead—as discussed earlier—placing the tanks one at a time over the span of a decade, and Mr. Anderson asserted, the utility changed those plans with zero input from the community. He wondered why EWEB was suddenly so concerned with overbuilding in south Eugene, when there was actual danger to residents around the College Hill and Hawkins Hill sites in the event of an earthquake. Mr. Anderson implored EWEB to revert to its earlier decision to build one tank at a time in the E. 40th and Hilyard; he said that once the residents of south Eugene discovered EWEB's plans for this site, they would be outraged.

Commissioner Barofsky said he was glad to receive the information about EWEB's grant programs and the impact it has on youth regionally.

Mr. Lawson said EWEB's education grant funding would be included as appendices in the Q3 report.

Approval of Consent Calendar – A MINUTES AND ROUTINE CONTRACTS MINUTES

- 1. a. April 20, 2021 Work Session**
- b. May 4, 2021 Executive Session**
- c. May 4, 2021 Regular Session**

CONTRACTS

2. Jacobs dba CH2M Hill Engineers Inc. - Task Order (B-4) for Engineering Services for the Carmen-Smith Load Bank. \$1,466,254 (Original contract \$10,000,000. Resulting cumulative Task Order total \$7,974,782) Based on Qualifications Based Selection (QBS).

3. Jacobs dba CH2M Hill Engineers Inc.- Task Order (S-1) for Engineering Services for the CS Smith Spillway Expansion and Flow Release Structure and to increase the authorized amount of Contract 080-2018 by the same amount. \$2,085,759 (Original contract \$10,000,000. Resulting cumulative Task Order total \$10,060,541 and resulting cumulative total Contract amount \$12,000,000 based on Qualifications Based Selection [QBS]).

4. JR Merit, Inc.- for Construction Services at the Trail Bridge Intake Gate. \$264,445. Based on a Formal Invitation to Bid.

Commissioner Barofsky moved to approve Consent Calendar – A. The motion passed unanimously 5:0.

Approval of Consent Calendar – B Non-Routine Contracts and Other Consent Items

RESOLUTIONS

5. Resolution No. 2111 - Highest and Best Use of Reserves.

Vice President Brown wished to pull Consent Calendar – B, Item 5., Resolution No. 2111. He wondered if the \$7 million earmarked for habitat restoration work up the McKenzie River would be in addition to the funds the Board previously approved, or would it be redirected to other uses once EWEB receives the revenue from the meter fee.

Ms. Hart clarified that it was only a matter of timing and EWEB would not be spending an additional amount.

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

Information Services Technology Investment Planning - Organizational Goal 4c

Mr. Knabe offered the Board a report and PowerPoint presentation on Information Services Technology investment planning - Organizational Goal 4c.

Commissioner Carlson asked if the new Customer Information System (CIS) work EWEB was undertaking was a reiteration of the utility's former CIS work.

Mr. Lawson said the upcoming CIS work would ultimately be a replacement of the ancient CIS system that Commissioner Carlson referred to. We deferred a portion of

that work, in the meantime we have pursued some components of a customer system, such as billing.

Commissioner Carlson wondered if the improvements currently being made to EWEB's billing system were connected to this new CIS work.

Mr. Knabe said the new customer portal did rely heavily on CIS. He added that however EWEB modernizes its CIS, the customer portal would have to be adjusted to communicate with the new system.

Commissioner Carlson wondered how they could ensure this new CIS product would be successful.

Mr. Knabe assured the Board that, although he had only been with the utility for five years, he understood technology, and the team he helped assemble within EWEB Operations had seen great success.

Commissioner Barofsky said he was in support of EWEB's Information Services Technology investment planning as presented, adding that future EWEB Boards would be having this very conversation due to the rapidly-changing nature of the information technology world.

Vice President Brown wondered, given the rapidly evolving nature of technology, and CIS specifically, and the time required for systems integration, how the utility would ensure that new technology was not already halfway through its economic life by the time it is implemented.

Mr. Knabe replied that an integrated solution was preferable because different systems and different components of systems could all upgrade together.

Mr. Lawson added that in the future, the time required for systems integration would lessen, until eventually, the process would be nearly automatic.

Vice President Brown expressed support for EWEB's Information Services Technology investment planning as presented.

Capital Improvement Plan Assumptions and Principles

Mr. Lawson and Mr. Price offered the Board a report and PowerPoint presentation on the assumptions and principles of EWEB's Capital Improvement Plan (CIP).

Vice President Brown expressed concern over the possibility that EWEB would be replacing parts of its system that did not necessarily need replacing.

Mr. Price offered the utility had been working toward tying reliability to its system, with a focus on aging equipment that may need to be replaced in the near future.

Mr. Lawson added that it was important to keep separate EWEB's capacity-related work, and work focused on "right-sizing" the system and resiliency.

Commissioner McRae wondered if it was possible to get further background information from staff about the CIP a little earlier than originally planned. He also asked if the CIP was tied to EWEB's Integrated Resource Plan (IRP), and if they were possibly informing each other.

Mr. Lawson said the IRP should definitely inform the CIP. He added the completed IRP would probably be finished in early 2023, after the utility looks at consumption in 2021, and the characteristics of the generating resources the utility needs in 2022.

Commissioner Barofsky agreed with Commissioner McRae about wanting to receive the CIP background information earlier than originally planned, especially if the Board was to approve the CIP next month.

Mr. Lawson clarified that it was not an approval of the CIP itself that staff was looking for, but more of a gauge of the Board's comfortability in moving in the direction discussed in the CIP background information, and, ultimately, the CIP itself.

Commissioner Barofsky asked if Leaburg canal would be considered Type II or Type III, and would it fall into both the Water and Generation categories.

Mr. Price said Leaburg canal was in the Generation category. He added staff would be talking to the Board in-depth about Leaburg in the next couple of months.

President Schlossberg offered that July's Board meeting was already packed with dense subject matter, and the CIP should be discussed earlier in the meeting rather than later, due to natural fatigue of long meetings.

Break

President Schlossberg called for a break at 7:11. She reconvened the meeting at 7:16

Headquarters Buildings and Associated Real Property Disposition

Mr. Lawson offered the Board a report and PowerPoint presentation on the disposition of the headquarters buildings and associated real property.

Vice President Brown asked about a specific piece of the property in question to the north of the Headquarters Building (HQ), just to the west of the Ferry Street Bridge.

Mr. Lawson replied that EWEB did not own that particular property.

Vice President Brown asked how many acres that particular property was.

Mr. Lawson said he did not know.

Vice President Brown offered that EWEB had invested a lot of capital into the building in question, and he would be interested in perhaps a cost-hold analysis, because, in his opinion, it may be better to keep and maintain the building until the riverfront area is more developed—if financially feasible.

Mr. Lawson said he would find the information detailing how much the utility invested in the building, and he and staff could work on a cost analysis for holding onto the building.

On the subject of the same building, Commissioner Carlson wondered at the amount of the lease, and if the renters were interested in continuing it, considering the lease was up in four months.

Mr. Lawson said he did not believe the current tenants planned to extend the lease, and the lease itself would expire in October 2021. He added the rental market is another facet staff could explore around the building.

Commissioner Barofsky said that he would like to see the building held and maintained, preferably by a community organization, like a local government agency, or perhaps the University. He said he would consider renting the building to new tenants, especially if said tenants could cover the building's expenses for the next three to five years, due to the likelihood of the building's value increasing over time. Lastly, Commissioner Barofsky said he would feel more comfortable with community involvement in decisions like this.

Mr. Lawson asked Vice President Brown and Commissioner Carlson if they agreed with Commissioner Barofsky on who potential tenants should be, or if they were more interested in holding the property until maximum value could be obtained for it.

Vice President Brown said he was worried that if EWEB focused on community organizations as new tenants for the building, the utility would get bogged down with years of planning and committees, and that would not be fair to ratepayers in other parts of EWEB's service area who are not directly benefitting from keeping and maintaining the building.

Commissioner Carlson said she was not opposed to inviting a community organization into the building, but she would want to know how long that process would be.

Mr. Lawson assured Commissioner Carlson that he would add that to the query he and staff were going to begin working on as stated earlier.

Commissioner McRae said he would be interested in seeing the analysis or report that Mr. Lawson and staff put together.

President Schlossberg said that while she was not in support of any sort of long, drawn-out process that would tie the property up indefinitely, she would be willing to reach out

to a finite number of local community organizations about possibly moving into the building.

Mr. Lawson said that he and staff would look carefully at the property—including its rental potential—adding there were still EWEB staff and operations inside the building that could take a year to 18 months to completely move out.

Correspondence & Board Agendas

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

Commissioner Carlson wondered if the three additional items under the Mission Statement on the "Assessing the Mission" correspondence were just added to explain the utility's mission.

Mr. Lawson said that was correct; they were specific to that particular document.

President Schlossberg reiterated the importance of getting the Board packet for the July meeting out to the Board as soon as possible.

Mr. Lawson said that he would pass the Board's request on to staff, and they would do their best to get them the packet early, but he did not know the feasibility until speaking with staff.

President Schlossberg adjourned the meeting at 7:46 p.m.

Recorded by Rodney Cimburke

Assistant Secretary

President