

EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
August 3, 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, Matt McRae, Commissioners

Absent: Sonya Carlson, Commissioner

Others Present: Frank Lawson, General Manager; Patty Boyle, Generation Contract Supervisor; Megan Capper, Energy Resources Manager; Deborah Hart, Chief Financial Officer; Jason Heuser, Public Policy and Government Affairs Program Manager; Karen Kelley, Water Operations Manager; Lisa Krentz, Generation Manager; Ben Ulrich, Resource Analyst; Mark Zinniker, Generation 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

President Schlossberg said a member of School District 4J (SD4J) Board reached out to her wondering about the feasibility of electrifying SD4J's buildings; her fellow EWEB Commissioners agreed to direct staff to reach out to SD4J concerning electrification.

Commissioner McRae thanked EWEB staff for putting together this in-person Board meeting.

Mr. Lawson announced that Commissioner Carlson was absent, and that she had planned to be away from tonight's meeting for some time; he added this was Commissioner Carlson's first missed meeting in four-and-a-half years.

Public Input

Richard Thorin of Eugene implored EWEB to keep its customer service lobby open. He said the EWEB telephone customer service always took a very long time, and there were some automated phone options that did not work. Mr. Thorin asserted that he enjoyed the personal contact he used to get in the EWEB lobby and asked the utility to keep their customer service lobby open.

Ralph McDonald of Eugene and speaking for the Southwest Hills Neighborhood Association (SHNA) expressed disappointment at the felling of trees at the E. 40th and Hilyard site. He reported the SHNA had voted unanimously to oppose EWEB's proposed project at that site. Mr. McDonald further stated the large grove of old fir trees the utility had just recently cut down, were indispensable to Eugene, as they removed CO₂, and helped cool the city on hot days.

Mark Robinowitz of Eugene spoke in opposition to the E. 40th and Hilyard water storage project. He said EWEB had cut down large evergreen trees and some oak trees that were probably 100 years old, and there was a small wetland on the site that was trampled by the aforementioned logging. Finally, Mr. Robinowitz stated he believed the actual reason for the change to installing two storage tanks simultaneously at the E. 40th and Hilyard site instead of the originally agreed upon single tank wasn't due to seismic concerns, but to facilitate the expansion of Eugene, and other local municipalities.

Susan Barnhart of Eugene lamented the destruction of the old trees on the E. 40th and Hilyard site. She said, by cutting these trees down in this fashion, EWEB was not holding true to its mission statement. Ms. Barnhart was disappointed in EWEB for going through with this plan with no public input whatsoever.

David Hausam of Eugene spoke in support of the E. 40th and Hilyard water storage project. He agreed with the way EWEB was managing the tree removal on that property; he said the old, tall Douglas fir trees should be removed or turned into snags, to allow the oaks to release oxygen and restore wildlife habitat on the site.

Bill O' Brien of Eugene spoke in opposition to the E. 40th and Hilyard water storage project. He said he had a conversation with the Mayor and was told EWEB was going to do whatever it wants to do and is not going to listen to the people with saveewebforest.org. Finally, he decried the lack of a public process for this, and all EWEB enterprises.

Joyce Gallagher of Eugene spoke in opposition to the E. 40th and Hilyard water storage project. She said there was nearly no public outreach about this project, and the decision to build two tanks simultaneously, instead of the original plan to build one at a time over the course of a few years.

Krista Rojas of Eugene was disappointed in EWEB's clearcutting of the urban forests in Eugene. She said that although Eugene claims to be a green city, it is anything but. She accused EWEB of rushing through with the clear-cut at the E. 40th and Hilyard site, because the utility knew the people had caught wind of it (no thanks to any outreach by EWEB) and were mobilizing to stop it. She said EWEB's mission statement was not an accurate representation of their actions.

Bowe Johnson of Eugene, and representing the Coalition for Animal Rights, spoke in opposition to the E. 40th and Hilyard water storage project. He said the project in question was a good example of EWEB deceiving the public. Mr. Johnson said although

EWEB sells itself as environmentally conscious, the actions of the utility belie a different attitude. Finally, he lamented the loss of wildlife habitat through the destruction of the old urban forest at the E. 40th and Hilyard site.

Marco Elliot of Eugene spoke in opposition to the E. 40th and Hilyard water storage project. He said EWEB's lack of a public process surrounding this project was despicable. Mr. Elliot said EWEB had not lived up to its mission statement, which says the utility: cares about the community and environment, is flexible and adaptive to community needs, and defines value through the eyes of its customers.

Marilyn Bloch of Eugene urged EWEB to keep their customer service lobby opened, and also said the utility's phone system is in need of attention, as she had recently tried to contact EWEB by phone but was unable to. She also suggested EWEB involve the public in its decisions, especially surrounding large projects like the E. 40th and Hilyard project.

Will Rutherford of Vida voiced two concerns: he was concerned about his electric bill going up, and EWEB's electric rate adjustment strategy itself. He believed EWEB was making a mistake by parsing its customer base beyond the current consumption categories and expanding the customer classes by delivery infrastructure. Mr. Rutherford said he did not think it fair that he and other upriver ratepayers be encumbered with debt for EWEB's infrastructure investments when there was no such infrastructure—or improvements to existing infrastructure—in the upriver service area.

Chris Jones of Eugene expressed appreciation for the EWEB staff who put together the preliminary phase two electrification study. He said it was a very insightful study, which incorporated feedback on the phase one study, given by EWEB Commissioners and staff alike. Mr. Jones asked EWEB to further encourage electric vehicle adoption by removing existing barriers, for example, providing differential demand charges for commercial customers who want to charge their vehicles during off-peak hours.

Allen Hancock of Eugene spoke in opposition to the E. 40th and Hilyard water storage project. He referenced 1969, when EWEB asserted it needed to build a nuclear power plant in Florence, to keep up with a grossly overestimated power demand, to illustrate the utility's dishonesty about its practices, and its reluctance to listen to, or even entertain the sentiments of the public. Mr. Hancock said EWEB should wait before moving forward with the E. 40th and Hilyard water storage project.

Joseph Hubbell of Eugene asserted that EWEB did a very poor job of public outreach about the E. 40th and Hilyard project. He said he had spoken with someone in EWEB's communication department, and that staff member admitted the fault was theirs. Mr. Hubbell stated the 3-minute time limit for public testimony was farcical and afforded no opportunity whatsoever for the EWEB Board to actually communicate with the public.

Vice President Brown thanked the members of the public who spoke. He said the Board's task here was challenging, because the utility has only a couple of years in

which to decommission the College Hill reservoir site, but EWEB cannot do so until another storage facility is up and running. Vice President Brown added that even if the utility was only to install one tank at a time on the E. 40th and Hilyard site, they would still have to remove all the trees at the same time.

Commissioner McRae thanked everyone who spoke. He recognized the gravity of the decision to put in both tanks at the same time at the E. 40th and Hilyard site, and put his trust in EWEB's engineers, and the communications staff who were tasked with making the public aware of the decision.

Commissioner Barofsky thanked those who spoke, and thanked the people who contacted him directly, and said he made every effort to respond to the latter group. He admitted the communication piece surrounding this project could have been handled better, and that he would push for stronger ratepayer communication in the future, but ultimately, he said, he felt he made the right decision in giving General Manager Lawson the authority to move forward with the project.

President Schlossberg echoed her fellow Board members' sentiments about the E. 40th and Hilyard water storage project and thanked everyone in attendance for adhering to EWEB's mask protocols. She asked Mr. Lawson to remind the Board about EWEB's current lobby protocols. To Mr. Rutherford's comments, she said she believed the Cost-of-Service Analysis (COSA) discussion would be on the September Board meeting agenda.

Approval of Consent Calendar – A MINUTES AND ROUTINE CONTRACTS

MINUTES

- 1. a. June 15, 2021 Special Upriver Meeting**
- b. July 6, 2021 Regular Session**

CONTRACTS

- 2. Burns & McDonnell Engineering Company, Inc.** - for engineering design services. \$650,000 based on a Formal Request for Proposals using the Qualification Based Selection (QBS) process.
- 3. MacKay Sposito, Inc.-** Task Order #5 and additional funds - for engineering, design, and related services for recreation design services in the Carmen-Smith Project. \$362,000 (original contract \$650,000, resulting cumulative Task Order total \$1,012,000) based on Request for Proposals using the Qualifications Based Selection (QBS) process.
- 4. Pacific Excavation** - for excavation services at the E. 40th Ave Water Storage Tank site. \$3,370,000 (one-time). Formal invitation to Bid.
- 5. Wildish Building Co.** - for construction services at the Trail Bridge power plant. \$2,507,002 (Construction Manager/General Contractor Guaranteed Maximum Price).

Vice President Brown moved to approve Consent Calendar – A as presented. The motion passed unanimously 4:0.

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

CONTRACTS

6. ESA - for FEMA benefit cost analysis and environmental impact services. \$370,000 (over 5 years) based on a Formal Request for Proposals.

MEMORANDUM OF UNDERSTANDING

7. General Pacific Inc. - for the sale of discounted heat pump water heaters to EWEB customers. \$300,000 (original contract \$150,000, resulting cumulative total \$700,000 through December 31, 2022).

RESOLUTIONS

8. Resolution No. 2112 - Update to Board Policy GP10 Public Input.

Vice President Brown moved to approve Consent Calendar – B without item number 8. The motion passed unanimously 4:0.

Commissioner Barofsky pulled item number 8 from Consent Calendar B. He said he did not feel the Board had had adequate time to look over this change to something as important to the integrity of the Board meetings as public testimony. Commissioner Barofsky also pointed out that Commissioner Carlson, in her absence, would not get to weigh in on this at all.

Mr. Lawson said there was no time limit on this item, and it could be omitted here, and brought back for discussion at a future Board meeting.

The Board agreed to this proposal.

Leaburg Evaluation and Triple Bottom Line (TBL) Results and Review

Ms. Krentz, Mr. Zinniker, and Ms. Boyle offered the Board a review and PowerPoint presentation on the Leaburg evaluation and the TBL results.

President Schlossberg renewed her calls for more Board work sessions. She pointed out the importance of this decision, and many more important decisions to be made in the near future, and said work sessions would be necessary, to make sure the Board is as up-to-speed on everything as is possible.

Vice President Brown said there were several questions he would need answered before giving staff direction on this item, including the question of the utility not being able to generate power in the summer months, due to climate change and not satisfying Oregon Department of Fish & Wildlife's (ODFW) water temperature mandates. He also

agreed with President Schlossberg about dedicating more Board time to this, and other important upcoming decisions.

Commissioner McRae posited it would be a good idea to bring in an outside party to help with the TBL analysis, adding that a third party would also act as a fresh set of eyes on said analysis. He also agreed the Board needed more meetings to discuss this, and other important decisions they would be called upon to make in the near future. Finally, Commissioner McRae stressed the importance of public outreach to the upriver community who would be affected by any projects in the area.

Commissioner Barofsky asked for clarification on the Favorable and Unfavorable marks in the presentation, as they pertained to the Environmental category. He said he was still in favor of a return-to-service for Leaburg, although he was very interested in reading and listing to staff on the matter. Lastly, Commissioner Barofsky wondered if the dam would eventually be removed, returning it to a free-flowing river.

Mr. Lawson told the Board that the Leaburg evaluation and TBL work lined up fairly well with EWEB's Integrated Resource Plan (IRP), and that staff would educate them on both projects within the next year.

Commissioner McRae wondered at the feasibility of buying out the property owners (not condemning properties) adjacent to Leaburg canal, so the original river channels might be restored, so that EWEB is not continuing to operate stormwater conveyance at a fairly significant expense.

Vice President Brown said if EWEB were to return the canals to the original river channels, the properties, and structures along the two miles of canal below Walterville would be adversely affected.

Ms. Krentz conceded that, in many ways, Walterville was more complicated than Leaburg as far as the canals were concerned.

2021 State Legislative Session Update

Mr. Heuser offered the Board an update on the 2021 State Legislative session thus far.

Commissioner McRae asked about the establishment of a \$50 million state investment fund for renewable energy projects; he wondered if said fund was for investor-owned utilities only or could EWEB—a publicly-owned utility—take advantage of it as well.

Mr. Heuser said he did not believe investor-owned utilities would be able to take advantage of the fund, and that it was geared specifically toward local governments and non-profits, making EWEB eligible.

Commissioner Barofsky wondered about the American Rescue Act Plan (ARPA) funds, and if they were indeed applicable to the Finn Rock Reach restoration project.

Mr. Heuser said they were. He said there was no reason to believe that green infrastructure would be excluded from the water infrastructure category for ARPA funds.

Vice President Brown asked if it would be appropriate for the Board to compile a thank-you letter to State Representative Paul Holvey, who had submitted the project.

Mr. Heuser said yes.

President Schlossberg asked if Mr. Heuser had any ideas about what the next big piece of State Legislation might be.

Mr. Heuser said he would be interested to see if any legislation might be introduced which takes a multi-sector approach to carbon reduction.

Break

President Schlossberg called for a break at 7:50 p.m. She reconvened the meeting at 8:00 p.m.

Electrification Impact Assessment - Preliminary Results

Ms. Capper and Mr. Ulrich offered the Board a report and PowerPoint presentation on the preliminary results of the electrification Impact Assessment.

Commissioner Barofsky asked if air conditioning was figured into the part of the assessment dealing with heat pumps.

Mr. Ulrich said it had a lot to do with the depreciation of a furnace or air conditioning unit. He said the ideal time to electrify, was when the a/c unit and the furnace were going out at the same time.

Commissioner Barofsky said it was crucial for EWEB to share this assessment with its community partners, some of which are developing energy usage policies and incentives.

Commissioner McRae pointed out that although E3 Consultants helped with this assessment, they were not mentioned anywhere in it that he saw. He said it was important for people reading the assessment to see the utility had third-party support.

President Schlossberg was curious if EWEB staff had talked to the City of Eugene about the Electrification Impact Assessment. She said it seemed much harder to get people to make electrification changes at the individual level, but if Eugene could incentivize electrification in any way (for example, requiring a certain percentage of new homes built in city limits be electrified), it would be very helpful to electrification efforts.

Mr. Lawson pointed out that while the region used to peak in the winter, importing energy, and typically had surplus energy in the summer, that was beginning to shift in the direction of more peak usage in the summer months in the Pacific Northwest. He

furthered that electric vehicle (EVs) were a great idea that benefitted everyone, with or without EWEB incentives. Mr. Lawson said he would feed the results of the Electrification Impact Assessment into the IRP.

Commissioner Barofsky was concerned about the social equity aspect of electrification, as it would have different impacts on homeowners as opposed to renting; in the latter case, he said, it was entirely up to the landlord what methods would be used to heat or cool a rented space. He asked if EWEB had come up with any ideas for incentivizing landlords to electrify their properties.

Mr. Ulrich said it was a difficult issue because every building, every space was a little bit different, with different heating or cooling needs, but EWEB was in the business of publishing their assumptions, so the public could see which of their programs might apply to them.

Quarterly Strategic & Operational Report - Summary

Mr. Lawson offered the Board a summarized quarterly strategic and operational report.

Commissioner Barofsky wondered if there were any plans to begin testing water samples from the Willamette, where the utility was thinking of building their second water source, for cyanotoxins.

Ms. Kelley said there had been testing done by other utilities, and EWEB had access to those results.

Commissioner Barofsky asked if testing EWEB's drinking water source every two weeks during the hot summer weather was sufficient.

Ms. Kelley returned that EWEB was testing water samples with a fairly high frequency, across several timelines, and when detection occurs it triggers additional testing.

Vice President Brown asked about the Water Utility's emergency preparedness metrics which were not met and wondered if we are working to get those back on schedule.

General Manager Lawson replied that is one of the important things we are working on and intend to get back on schedule.

Correspondence & Board Agendas

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

Board Wrap Up

Commissioner Barofsky thanked staff for their work and dedication surrounding the E. 40th & Hilyard water storage project. He said he hoped everyone at EWEB could learn from this experience, especially in the area of public outreach.

Vice President Brown personally thanked the security team assigned to oversee the Board meeting, especially given the controversy surrounding the E. 40th & Hilyard water storage project.

Ms. Kelley offered the Board a candid update on the E. 40th & Hilyard water storage project. She stated local citizens had filed an appeal with the Land Use Board of Appeals (LUBA) the day before, which claimed that EWEB was out of compliance with one of its erosion permits. Ms. Kelley reported the stay order issued by LUBA caused EWEB to call off work for Tuesday, August 3, 2021, to make sure the stay order was fully understood. Ms. Kelley further explained that if the stay order is not rescinded, both parties will submit their merits for the case, and LUBA will respond to those merits and render a decision.

Commissioner Barofsky asked if the Board could receive a copy of the LUBA appeal filed by the citizens to halt EWEB's tree removal on the E. 40th & Hilyard water storage project.

Ms. Kelley said that could be arranged.

President Schlossberg adjourned the meeting at 9:09 p.m.

Recorded by Rodney Cimburke

Assistant Secretary

President