



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Schlossberg, Brown, Carlson, Barofsky, McRae
FROM: Anne Kah, Administrative Services Manager
DATE: September 23, 2021 (Board Meeting October 5, 2021)
SUBJECT: August 3, 2021 Executive Session Minutes Amendment
OBJECTIVE: Board Action

Issue

It has come to our attention that the August 3, 2021 Executive Session Minutes were presented at the September 7 board meeting with an incorrect date and meeting location listed in the title section of the document. The corrected document, both a clean copy and a version showing tracked changes, are enclosed herein.

Requested Board Action

Approve amended version of August 3, 2021 Executive Session Minutes.

Attachments

August 3, 2021 Executive Session Minutes – Clean copy
August 3, 2021 Executive Session Minutes – Tracked changes

**EUGENE WATER & ELECTRIC BOARD
EXECUTIVE SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
AUGUST 3, 2021
5:00 P.M.**

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

Absent: Sonya Carlson, Commissioner

Others present: Frank Lawson, General Manager; Rod Price, Assistant General Manager (via virtual meeting); Deborah Hart, Chief Financial Officer; Travis Knabe, Chief Information Officer; Lena Kostopulos, Chief Workforce Officer; Julie McGaughey, Chief Customer Officer; Lisa Krentz, Generation Manager; Patty Boyle, Generation Contract Supervisor; Mark Zinniker, Generation Engineering Supervisor; Karen Kelley, Water Operations Manager; Andrew Goodwin, IT Support Specialist; Evan Irons-DeSiena, IT Support Specialist; Holly Shugart, Administrative Assistant; Anne Kah, Administrative Services Manager; James Kincaid, Doug Kincaid, and Laura Maffei; Cable Huston Legal Counsel (via virtual meeting)

EXECUTIVE SESSION:

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

Pursuant to ORS 192.660 (2)(f) and ORS 192.660 (2)(h)

The EWEB Board of Commissioners met in Executive Session to consider information or records that are exempt by law from public inspection, and to consult with counsel with regard to litigation likely to be filed.

President Schlossberg adjourned the Executive Session meeting at 5:30 p.m.

Assistant Secretary

President

EUGENE WATER & ELECTRIC BOARD
EXECUTIVE SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
VIRTUAL MEETING
MAY 4~~AUGUST 3~~, 2021
5:00 P.M.

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

Absent: Sonya Carlson, Commissioner

Others present: Frank Lawson, General Manager; Rod Price, Assistant General Manager (via virtual meeting); Deborah Hart, Chief Financial Officer; Travis Knabe, Chief Information Officer; Lena Kostopulos, Chief Workforce Officer; Julie McGaughey, Chief Customer Officer; Lisa Krentz, Generation Manager; Patty Boyle, Generation Contract Supervisor; Mark Zinniker, Generation Engineering Supervisor; Karen Kelley, Water Operations Manager; Andrew Goodwin, IT Support Specialist; Evan Irons-DeSiena, IT Support Specialist; Holly Shugart, Administrative Assistant; Anne Kah, Administrative Services Manager; James Kincaid, Doug Kincaid, and Laura Maffei; Cable Huston Legal Counsel (via virtual meeting)

EXECUTIVE SESSION:

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

Pursuant to ORS 192.660 (2)(f) and ORS 192.660 (2)(h)

The EWEB Board of Commissioners met in Executive Session to consider information or records that are exempt by law from public inspection, and to consult with counsel with regard to litigation likely to be filed.

President Schlossberg adjourned the Executive Session meeting at 5:30 p.m.

Assistant Secretary

President

**EUGENE WATER & ELECTRIC BOARD
EXECUTIVE SESSION
VIRTUAL MEETING
SEPTEMBER 7, 2021
5:00 P.M.**

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

Others present: Frank Lawson, General Manager; Rod Price, Assistant General Manager; Deborah Hart, Chief Financial Officer; Travis Knabe, Chief Information Officer; Lena Kostopulos, Chief Workforce Officer; Julie McGaughey, Chief Customer Officer; Anne Kah, Administrative Services Manager; Kira Hutchins, HR Supervisor; Jennifer Connors, Communications & Marketing Supervisor; Joe Harwood, Communications Specialist; Randy Geller and Kurt Peterson of Harrang Long Gary Rudnick PC Attorneys at Law

EXECUTIVE SESSION:

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

Pursuant to ORS 192.660 (2)(h)

To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

President Schlossberg adjourned the Executive Session meeting at 5:32 p.m.

Assistant Secretary

President

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
September 7, 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; Megan Capper, Energy Resources Manager; Deborah Hart, Chief Financial Officer; Greg Kelleher, Customer Operations Manager; Julie McGaughey, Chief Customer Officer; Karl Morgenstern, Watershed Restoration Program Manager; Juan Serpa Munoz, Business Line Manager; Rod Price, Assistant General Manager; Adam Rue, Fiscal Services Supervisor; Anna Wade, Business Line Manager

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 announced that it was the one-year anniversary of the Holiday Farm fire, and she said her heart went out to all those affected by it; she said she was excited to hear about the recovery and restoration efforts later in the agenda.

Commissioner Barofsky said that in the past month or so, his business has been targeted by people who were not happy with his decision as an EWEB Commissioner on the E. 40th and Hilyard water storage project. He said he hoped going forward, people would keep his business and his duties as an EWEB Commissioner separated.

Commissioners Carlson and McRae also acknowledged the one-year anniversary of the Holiday Farm fire.

Vice President Brown said the salmon were beginning to climb the fish ladders and go over the Leaburg dam, heading for their spawning grounds. He thanked everyone at EWEB who worked closely with the Oregon Department of Fish and Wildlife (ODFW), et al. to make that a reality.

Mr. Lawson announced that, during this latest COVID spike, 14 employees across eight departments were in quarantine. He also reported the payment processing incident with EWEB's merchant services provider was close to being resolved.

Vice President Brown asked about the long hold times EWEB customers were experiencing.

Mr. Lawson said he and pertinent staff would get back to Vice President Brown about the long hold times.

Public Input via Telephone

Mark Robinowitz of Eugene wondered if EWEB—over the past ten years—had ever taken issue with the natural forests being cut down and replaced with the much more flammable tree farms now in that space. He was also curious if EWEB had ever objected to Weyerhaeuser spraying poison from helicopters into the McKenzie watershed, and directly into the river itself. He also asked EWEB to require the contractor logging on the utility's 40th and Hilyard reservoir site to cover their trucks, or to wet down their loads, to prevent the spread of dust and debris. Finally, Mr. Robinowitz said he appreciated the documents he received in response to a public records request, concerning the cracked walls of the Hawkins Hill reservoir; he asserted that EWEB should provide a formal response to questions concerning this, and other high-altitude EWEB reservoirs, and the potential impacts of downhill neighborhoods in the event of an earthquake.

Marilyn Bloch of Eugene said she had heard some of the trees cut down at the 40th and Hilyard water storage reservoir site would be used to make benches for the city, and she wondered how that project was going. She also shared Mr. Robinowitz's concerns about the uncovered construction vehicles leaving that site. Ms. Bloch asked if EWEB had expanded the budget of the 40th and Hilyard water storage site, and if so, by how much. Finally, she requested that Commissioners state their whole name at least at the beginning of the meetings for clarity.

Commissioner Carlson was in support of covering the construction vehicles, and wondered if staff might look into it. She was also in agreement about Commissioners stating their full names.

Commissioner McRae addressed the comment about seismic dangers with some of EWEB's reservoirs; he said that was a primary driver for the utility's fairly quick-paced replacement of local reservoirs.

Commissioner Barofsky pointed out Ms. Bloch's question concerning budget increases for the 40th and Hilyard water storage project would actually be answered in the consent calendar. He said there was an increase of approximately \$9,000 spent on the mitigation of dust on the site itself. Commissioner Barofsky also pointed out the recent halt to the work at 40th and Hilyard, brought about by an appeal by local citizens to the Land Use Board of Appeals (LUBA), had cost EWEB ratepayers roughly \$24,000.

Mr. Lawson said staff was actively looking at dust and debris mitigation for the 40th and Hilyard site

Approval of Consent Calendar – A MINUTES AND ROUTINE CONTRACTS

MINUTES

1. a. **August 3, 2021 Executive Session**
b. **August 3, 2021 Regular Session**

CONTRACTS

2. **Integrated Resource Management; Anderson's Erosion Control; and Pacific Northwest Natives** - for three contracts for planting/vegetation management; erosion control/hydroseeding and seedlings; and supply of native seeds, respectively. \$5,250,000 (between three contracts over five years) based on a formal Invitation to Bid.

3. **Pacific Excavation, Inc.** - for the Palomino Dr. water main replacement. \$380,000 based on a formal Invitation to Bid.

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

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

CONTRACTS

4. **Consolidated Supply Company** - for polymer concrete water meter boxes and lids. \$2,500,000 (over five years) based on a Formal Request for Proposals (RFP).

5. **Pacific Excavation, Inc.** - for an increase to the contract for tree removal services at the E. 40th Avenue water storage tank site. \$35,000 (resulting cumulative total \$146,000) based on a formal Invitation to Bid.

RESOLUTIONS

6. **Resolution No. 2113** - Update to the EWEB Section 457 Deferred Compensation Plan Committee Charter.

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

Cost of Service Analysis (COSA) Discussion

Ms. Hart, Mr. Lawson, and Mr. Rue offered the Board a PowerPoint presentation to open a discussion with the Board about COSA.

Commissioner Carlson asked if the COSA started with the end in mind and then broke everything out into different categories and customer classes, or did it begin with the

costs and allocate, and then determine if that actually comes close to how much the utility is paying.

Mr. Rue said they project out the revenue at current rates for each customer class, which allows them to work on the revenue at current rates from each of the classes, independent of any other organizational processes; he added staff would have to wait for the budget and the projections for 2022 through 2024 to be completed before they could move into the cost phase of the COSA.

Commissioner Carlson said she would like to follow up with Mr. Lawson and staff for a bit of a deeper dive into her question.

Commissioner Barofsky asked if EWEB incentivized ratepayers to install solar, or to update the weatherization of their homes, would it offset fixed costs which are added all along.

Mr. Lawson clarified this was a cost of service analysis, and not a benefit of service analysis, so customer benefits were not actually factored into this particular analysis. He added something like this would have to be a policy decision.

Commissioner Barofsky wondered—since the water side of the utility would soon be using smart meters exclusively—if there was a way to have lower non-peak water rates.

Mr. Rue offered that would be something to look into, although if implemented, it would be sometime in the future.

President Schlossberg said it would be of benefit to have a follow-up meeting on this topic—perhaps staff-Commissioner one-on-ones—because of its density, and the fact the Board will eventually be voting on it. She also asked if the COSA amounted to a strategic or policy decision.

Mr. Lawson said it was a policy decision.

Commissioner McRae said he would also like to receive more information about the COSA. He suggested bringing in a third party to help EWEB staff in the drafting of triple bottom line assessments. Finally, Mr. McRae wondered if any of the variables used in the creation of the COSA would be made available to the public.

Mr. Lawson said the utility wants to be as transparent as possible where the public is concerned, while also providing information to the public which they can easily understand.

Mr. Rue declared that staff could put together a more granular summary of the COSA variables to help the public understand the process.

Ms. Hart asked Mr. Lawson to follow up with her to prepare a more descriptive document for the Board.

Vice President Brown asked how Leaburg and the second water source project would ultimately affect the COSA.

Mr. Rue replied that the COSA will begin with a three-year trajectory that does not include those investments, and that will give EWEB an opportunity to see how effectively the costs are tracking with a longer term more detailed view. He asserted that more dialogue amongst staff, and between staff and the Board would be essential as we monitor cost shifting over time and the impacts.

McKenzie Watershed Recovery & Restoration Plan, 2022-2023

Mr. Morgenstern offered the Board a report and PowerPoint presentation on the McKenzie Watershed Recovery and Restoration Plan for 2022-23.

Commissioner Carlson wondered if the plants which were planted last autumn, survived the intense heat of this summer; she asked if the new plantings Mr. Morgenstern mentioned in his presentation were brought in to replace those that did not make it.

Mr. Morgenstern said they overplanted to offset plant mortality, but the summer's drought has caused a higher mortality rate for the plants, and some of the plants recently brought in were to replace those which died in the drought.

Commissioner Carlson asked if the utilization of floodplains would raise water temperatures, and in turn, increase the risk for cyanotoxins.

Mr. Morgenstern said that by slowing the flow, and providing an increase in canopy cover, floodplains actually cool the water as it passes through them.

Commissioner Carlson wondered if EWEB was expecting any kind of reimbursement from the Federal Emergency Management Agency (FEMA) for the recovery and restoration plan.

Mr. Morgenstern said they expected 75% of the \$1 million spent to be reimbursed by FEMA.

Commissioner Barofsky asked if EWEB monitored Gate Creek.

Mr. Morgenstern said yes.

Commissioner Barofsky said he would like to see purchasing carbon offsets (in the form of strips of land constituting parts of the riverbank) pursued by EWEB.

Given the court ruling impelling the Army Corps of Engineers to increase flows in the South Fork of the Willamette River, Vice President Brown wondered if that ruling would

affect the recovery and restoration project, or any parts of the project which had already been implemented.

Mr. Morgenstern said no, and that the increased flows would help the project.

Vice President Brown asked if anyone had acquired the riparian land at the confluence of Quartz Creek and the Finn Rock Reach.

Mr. Morgenstern said EWEB was working to get a conservation easement, which would allow work on Quartz Creek within the next year or two.

Commissioner McRae wondered which pollutants EWEB was most worried about in the McKenzie watershed.

Mr. Morgenstern said that any pollutants in the watershed—whether as a result of the fire, or any applied herbicides—would either attenuate to sediment, and thus be settled out, or would be removed at the treatment plant through filtration.

President Schlossberg asked what was meant by the term “smart rebuild”.

Mr. Morgenstern answered it was suite of incentives that EWEB was rolling out for landowners who are looking to rebuild their home which was destroyed in the Holiday Farm fire. One example he cited was a grant incentivizing landowners to move their house footprint away from the river, and out of the floodplain.

President Schlossberg wondered if there was any discussion within the utility about legislation pertaining to zoning or building codes that would address homes being built too close to the river.

Mr. Morgenstern said there were such discussions happening, although any such legislation would be at odds with private property rights.

President Schlossberg asked if there were any plans to take this recovery and restoration work to other areas, in an attempt to help other places that experience similar disasters.

Mr. Morgenstern agreed there was benefit to be shared by this experience. He said there was an immediate plan to take this work into the Coast and Middle Forks of the Willamette River as EWEB begins work on a second water source.

Lastly President Schlossberg posited that it was premature to remove the ratepayer surcharge for the recovery and restoration work, and she was hesitant to support getting rid of that funding mechanism at this time.

Mr. Lawson said, to his knowledge, there was no plan to remove the aforementioned surcharge. He said EWEB had significant outside funding to help mitigate the burden to ratepayers, but he did not foresee addressing the surcharge itself until at least 2023.

Commissioner Barofsky left the meeting at 7:57 p.m.

Break

President Schlossberg called for a break at 7:57 p.m. She reconvened the meeting at 8:05 p.m.

Quarterly Strategic & Operational Report

Mr. Price, Ms. McGaughey, Mr. Kelleher, Mr. Serpa Munoz, Ms. Wade, and Ms. Capper offered the Board a quarterly strategic and operational report, with an accompanying PowerPoint presentation.

Commissioner McRae thanked Mr. Serpa Munoz especially for the continued work to make electric vehicles (EVs) more affordable and accessible to low-income households. He wondered if there was any similarly-focused work happening on the building side of electrification.

Mr. Lawson pointed out that Mr. Kelleher was the Manager of the Customer Solutions Group, and that kind of work would fall under his purview.

Commissioner McRae asked if the 10,000 MWh per year offset target would be the same from year to year.

Mr. Kelleher said historically, EWEB had been varying that amount according to the methodology of the utility's Integrated Electric Resource Plan (IERP). He added they had been achieving 100% load offset for several years, but due to load volatility brought about by COVID, they decided on the 10,000 MWh number which will be in place for 2021.

Vice President Brown said he appreciated the presentation's mention of supply chain issues. He said during the snowstorm of a few years ago, EWEB had given neighboring utilities supplies such as poles and wire, but was concerned about continuing that practice when the possibility exists that EWEB would not be able to resupply itself in the future due to supply chain issues.

Mr. Price said staff would certainly pay close attention to those issues should they arise, especially with the knowledge that supply chain problems are continuing.

Vice President Brown wondered if there were any criteria which would affect someone living in a dwelling subsidized by EWEB for energy efficiency as far as whether that person qualified for EWEB's energy assistance program.

Mr. Kelleher replied no, that the two things Vice President Brown mentioned were treated independently

President Schlossberg asked if anyone knew the percentage of renters who come to EWEB for an energy audit, end up taking advantage of some of EWEB's incentive programs.

Mr. Kelleher offered that was a great question, and EWEB had been trying to track that for some time, although it's difficult due to the time lag. He said he would explore it further and get back to the Board with his findings.

Correspondence & Board Agendas

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

Commissioner Carlson wondered if the upcoming joint meeting between the EWEB Board and the Eugene City Council was virtual or in-person.

Mr. Lawson said as far as he knew, it would be held virtually.

Board Wrap Up

President Schlossberg expressed her appreciation for the presentations prepared by staff for the Board meetings.

Vice President Brown echoed President Schlossberg's sentiment concerning the staff's presentations.

Commissioner McRae thanked President Schlossberg for facilitating these virtual meetings.

President Schlossberg adjourned the meeting at 9:01 p.m.

Recorded by Rodney Cimburke

Assistant Secretary

President

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve three new contracts with **BCI Contracting, White’s Tree Service LLC, and Brink Brothers Inc. for Hazard Fuel Management.**

Board Meeting Date: 10/5/2021

Project Name/Contract #: Hazard Fuel Management, ITB 21-136-S

Primary Contact: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$4,500,000 (between three contracts over 5 years)

Additional \$ Previously Approved: N/A

Invoices over last approval: N/A

Percentage over last approval: N/A

Amount this Request: \$4,500,000

Resulting Cumulative Total: \$4,500,000 (between three contracts over 5 years)

Contracting Method:

Method of Solicitation: Formal Invitation to Bid

If applicable, basis for exemption: N/A

Term of Agreement: Initial terms are one year

Option to Renew? Yes, annually up to five years total

Approval for purchases “as needed” for the life of the Contract Yes No

Proposals/Bids Received (Range): 6 - (\$1,199,500 - \$2,098,650 based on anticipated work)

Selection Basis: Lowest Responsive and Responsible Bidder

Narrative:

Operational Requirement and Alignment with Strategic Plan

The board is being asked to approve three new Contracts with BCI Contracting, White’s Tree Service LLC and Brink Brothers Inc. for as-needed Hazard Fuel Management. The contract amount noted above is a Not-to-Exceed (NTE) limit across the three contracts and will be used as needed throughout the life of the contracts.

These services will serve over 240 private properties ranging in size from 2 to 500 acres that are enrolled in the Pure Water Partners (PWP) program and within the fire-affected areas of the McKenzie Watershed. The services may be reimbursed in part by the Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program up to 75%, or by other wildfire recovery grants to support continued restoration efforts.

Contracted Goods or Services

Contracted services include the following:

Hazard Fuels Management: Removal of hazardous fuels for fire abatement and home security of dead and dying fuels lost in the Holiday Farm Fire and mitigation of hazard fuel regrowth in fire prone areas that pose a threat to the landowner, public or the watershed recovery process. Work will be assigned on an emergent basis. EWEB and the Contractor will coordinate the Scope of Work, staffing plan, and project schedule prior to the work being performed.

Prior Contract Activities

BCI Contracting					
EWEB Contract No.	Project Name (Description)	Board Approval Date	Project Duration	Original Contract Amount	Final Contract Amount
20-217-1	Heavy Equipment	NA	11/5/2020-12/31/2021	\$74,000	\$74,000
BCI Contracting met EWEB's product quality and service requirements under this emergency use contract.					

Brink Brother's Inc					
EWEB Contract No.	Project Name (Description)	Board Approval Date	Project Duration	Original Contract Amount	Final Contract Amount
21-085-S	Vegetation Removal Services in response to Holiday Farm Fire	5/6/2021	5/15/21 – Current	\$150,000	\$187,500
Brink Brothers Inc. was responsive to all needs and completed the work under their contract on time and satisfactorily.					

EWEB has not formally contracted with White's Tree Service but has previously purchased native seed mixes under various purchase orders over the years.

Purchasing Process

In August 2021, EWEB issued a formal Invitation to Bid (ITB 21-136-S) for Hazard Fuels Management. This solicitation was advertised on the OregonBuys procurement website, and five bids were received. Because of the scope of work and magnitude of the fuel removal, Staff elected to have the option of awarding multiple contracts. BCI Contracting, White's Tree Service, and Brink Brothers, Inc. were deemed the lowest responsive and responsible bidders for the services.

BIDS RECEIVED

Vendor Name	City, State	Offered Price (Based on Estimated Quantities)
Brink Brothers Inc.*	Eugene, OR	\$1,199,500
White's Tree Service*	Eugene, OR	\$1,465,400
BCI Contracting*	Eugene, OR	\$1,732,640
O'Malley Brothers	Junction City, OR	\$1,836,850
Triptych Construction LLC	Albany, OR	\$2,098,650

* Awarded to

Competitive Fair Price (If less than 3 responses received)

N/A

ACTION REQUESTED:

Management requests the Board approve three new Contracts with BCI Contracting, White's Tree Service LLC and Brink Brothers Inc. for as-needed Hazard Fuel Management. Approximately \$750,000 was planned for these goods and services in the Holiday Farm Fire Restoration 2021 budget of \$3.9 million, a portion of which may be reimbursed by FEMA (up to 75%) or other wildfire recovery grants. Variances will be managed within the budget process and Board policy.