



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

**EUGENE WATER & ELECTRIC BOARD
WORK SESSION
VIRTUAL MEETING
September 21, 2021
5:30 P.M.**

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

Others Present: Frank Lawson, General Manager; Mark Zinniker, Generation Engineering Supervisor

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

Agenda Check

There were no changes or additions to the agenda.

Leaburg Project Tour - Follow up and Q&A

Mr. Zinniker offered the Board a brief recap of the Leaburg project tour the Commissioners had recently attended.

Commissioner Carlson said that due to climate change affecting waterflows, the lack of regulatory certainty, and the fact Leaburg does not have a very large capability to generate electricity the project was seeming less and less viable.

Commissioner Barofsky said he agreed with Commissioner Carlson to an extent, but he needed more information—more data—about the Leaburg project before making a final decision.

Vice President Brown complimented staff for the Leaburg tour; he said it was one of the most effective tours he had been on while on the EWEB Board of Commissioners. He wondered if chinook salmon were moved to the Endangered Species List, how that would affect EWEB operations at the Leaburg facility. Vice President Brown also expressed concern about the Federal Energy Regulatory Commission (FERC) licensure as it pertained to seismic upgrades to the Leaburg canal.

Commissioner McRae listed three things he said he would like to see before making a decision:

- An estimate of the full cost of electricity generated at Leaburg over the course of a year
- At least a preliminary triple-bottom line (TBL) analysis
- More focused conversations with the residents of the upriver community

President Schlossberg agreed with Commissioner McRae about the need for more focused, in-depth conversations with upriver stakeholders. She added that a complete timeline for the project would also help with her decision-making.

Mr. Lawson said before the end of the year, EWEB staff would provide the Board and the community an outreach plan for the Leaburg project.

Commissioner Carlson referenced a backgrounder the Board received in January 2021. She wondered if, in the last nine months, the economic analysis presented in that backgrounder had changed.

Mr. Zinniker said it would look different, especially from the standpoint of Net Present Value (NPV), because the new NPV analysis would go beyond the life of the license, and takes into account end-of-licensure costs.

Strategy Revision/Update - Final Discussion

Mr. Lawson offered the Board a review and PowerPoint presentation on EWEB's strategic planning.

Commissioner Carlson said she would like more information about the possibility for a new EWEB secondary water treatment facility with Springfield. She said she was interested in the utility being involved in expanding broadband Internet for the benefit of the Eugene area; she admitted there were other, more crucial projects in the works already, but she did not want to lose sight of the broadband issue.

Mr. Lawson said EWEB recently signed a purchase and sale agreement on some property in Glenwood that would give the utility more flexibility to work with the Springfield Utility Board (SUB) and other entities toward a second water source on the Willamette River. He also stated if the Board wanted to move into broadband, he would probably want to bring in an outside party for consulting, rather than compete for staff resources, and the Board would have to be willing to look at financing to accomplish that.

Vice President Brown said he was in support of EWEB not getting rid of its educational grant programs which support local schools. He offered he was not in support of EWEB selling its electricity generation assets, especially since they were environmentally-conscious. Vice President Brown said he was okay pursuing something like broadband, but not until they had full knowledge of the economic impacts of such a project. He went on to say that he would not want to spend a lot of time and resources on that now because of other priorities. Lastly, he said he would be open to selling EWEB's upriver service territory (with the affirmation of the upriver community), and to taking a closer look at regional water issues, and EWEB's role in them.

Regarding Leaburg generation and the upriver service territory, Mr. Lawson clarified that the questions were not posed as a predisposition, or a desire. Management has historically viewed the answers as not being preordained, and if an opportunity came along that was good for everyone involved, then EWEB would be willing to explore it, as

these questions have not been eliminated by policy or strategy. The upriver area is part of EWEB's service territory, and we continue to serve and support that community the best way we can, and in alignment with EWEB's values and strategies.

Commissioner Barofsky said he was not in support of EWEB expanding into other areas such as broadband, citing the ever-changing nature of technology and its obsolescence. He spoke against EWEB selling its generation assets, offering that as more and more fossil fuel-generating facilities go offline, it will be crucial for any utility to have green energy in their portfolio.

Commissioner McRae said he did not think EWEB should expand into broadband at present, but he said he would like to keep that avenue open for the future. He indicated that he does not have strong feelings about EWEB-owned generation, however he cares very much about the mix of power that EWEB purchases and wants to retain some measure of generation that is locally controlled and locally generated. He asked when and how would the Board address its strategic goals; he said due to the large decisions the utility had before it, he would like to see at a minimum Strategic Direction policy 15 revisions in the next six months.

Mr. Lawson offered that a reference could be included in the Strategic Plan that states the execution of the Strategic Plan (SP) would be reiterated, captured, discussed, and approved as part of the utility's annual goal setting process. He added that if any commissioner wanted to have a discussion about a specific board policy, the commissioner can make that proposal during Items from Board Members. Upon receiving concurrence from other board members, staff would put said discussion on a future Board agenda.

President Schlossberg said she found discussions of the SP a bit confusing and broad, and would like to see a more streamlined discussion especially surrounding how the plan is carried out through measurable goals. She said she was not interested in EWEB pursuing broadband at this time, and posited Internet access should be a public utility, although she was not sure whether EWEB should be the provider. Finally, President Schlossberg asserted EWEB should not get rid of its social and community services.

Mr. Lawson explained that not everything EWEB does is strategic, many things are captured in operational metrics. For example, energy efficiency targets are covered under past direction provided by the board. Targets have been established via integrated resource plans et cetera. Policies, resolutions, and annual goal setting also direct how the utility operates.

Commissioner McRae asked if it was possible to retain local control of local power generation without owning it.

Mr. Lawson said it was possible to do so.

Commissioner McRae asked about the timeline of the next SP revision.

Mr. Lawson said that would most likely come back to the Board in April or May of 2022.

Board Wrap Up

Commissioner Barofsky mentioned that he had recently drove back to Eugene from Bend, and along the way, stopped at Finn Rock Reach. He said he was heartened to see water flowing in the tributaries which flowed into the Reach.

Mr. Lawson mentioned there was a tour for Commissioners of Finn Rock Reach planned for October 22, 2021.

President Schlossberg adjourned the meeting at 7:00 p.m.

Recorded by Rodney Cimburke

Assistant Secretary

President

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

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

Others present: Frank Lawson, General Manager; Rod Price, Assistant General Manager; Deborah Hart, Chief Financial Officer; Lena Kostopulos, Chief Workforce Officer; Julie McGaughey, Chief Customer Officer; Karen Kelley, Chief Engineering & Operations Officer; Sarah Gorseger, Support Services Manager AIC; Tim O'Dell, Right of Way Agent; Jared Rubin, Environmental & Property Supervisor; Anne Kah, Administrative Services Manager

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 governing body to negotiate real property transactions.

President Schlossberg adjourned the Executive Session meeting at 5:29 p.m.

Assistant Secretary

President

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
VIRTUAL MEETING
October 5, 2021
5:45 P.M.**

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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; Anne Kah, Administrative Services Manager; Karen Kelley, Chief Operations Officer; Wally McCullough, Water Engineering Supervisor; Adam Rue, Fiscal Services Supervisor

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

Agenda Check

President Schlossberg suggested 20 minutes be added just after the Public Input item, to give Commissioners a chance to talk about the recent Work Session EWEB shared with the Eugene City Council. The Board consented.

Items from Board Members and General Manager

Commissioner Carlson reported that she had recently attended the Lane Council of Governments' (LCOG) meeting, at which the topics of cybersecurity (she suggested EWEB staff reach out to LCOG to share information on the topic), and a survey to gauge public opinion about filling the Lane Community College (LCC) Board President position, as the current LCC Board President had indicated they were moving on after the upcoming year; she said that she would share the survey with EWEB Commissioners, and she suggested they in turn share it widely. Commissioner Carlson thanked staff for the tours the Commissioners had been taken on recently; she said they were most helpful.

Vice President Brown announced he would not be able to attend the Finn Rock Reach tour. He said he had witnessed an EWEB crew work on a substation in Eugene, and he was very impressed with the safety protocols and professionalism observed by the crew.

Commissioner McRae said he had met with EWEB staff as they were presenting to residents in the College Hill area about replacing the area's water infrastructure; he said

the presentation was accessible, and the staff members stayed until all the residents' questions were answered. Commissioner McRae thanked staff and President Schlossberg for their work surrounding the recent joint work session with the Eugene City Council.

Commissioner Barofsky said he recently attended a Fairmount Neighborhood Association (FNA) meeting, at which the new development going in atop Capitol Hill was discussed. He said he would be reaching out to staff concerning an agreement between EWEB and the developer, that infrastructure be put in to ensure an adequate water supply for the new development.

Mr. Lawson thanked the staff at the Hayden Bridge facility for a recent tour they hosted for Commissioners. He also thanked the University of Oregon's Soil Plant Atmosphere (SPA) Lab for a recent tour; Mr. Lawson said EWEB was working with the lab to study the long-term impacts of watershed and riparian restoration on carbon sequestration.

President Schlossberg also thanked the Hayden Bridge staff for their tour. She said she would strive to use other Commissioners' full names during the meeting for identification purposes, but she was also trying to be a little less formal, so she would only identify them (and herself) by their full names periodically during the meeting.

Public Input via Telephone

Mark Robinowitz of Eugene said he found it ironic that EWEB was putting in new water storage reservoirs at the E. 40th and Hilyard site, when that area contains a small wetland area. He added that he hoped EWEB mandated the dump truck drivers to and from their construction sites cover their trucks to prevent flying debris.

Jim Neu of Eugene said he felt encouraged by the recent joint Work Session with Eugene City Council, but hoped those joint meetings would be held more frequently than just quarterly. Mr. Neu said the Environmental Protection Agency (EPA) for the first time did not include gas appliances on the Energy Star list; he asserted no new gas appliances should be installed, and he said he trusted EWEB to come up with environmentally sound, and socially responsible energy policies into the future.

Linda Kelly of Eugene wondered why Mr. Lawson expressed interest in a dual-source heat pump at the recent joint Work Session; with natural gas on the way out as a source of energy, she thought it more appropriate for EWEB to pursue total electrification. Ms. Kelly said she had a recent conversation with the Lane County Rental Owners Association (LCROA) about the best way to support electric heat pumps in rentals; she said she learned that EWEB was a former member of the LCROA, and expressed disappointment that the utility was not taking advantage of LCROA to get electric heat pumps installed in rentals.

Phil Barnhart of Eugene urged the Board to heed the forecast of the Intergovernmental Panel on Climate Change (IPCC), which stated that the U.S. had to eliminate greenhouse gas emissions entirely by 2050. He said the relaxed response he had

witnessed from public agencies gave him pause, and he implored the utility to work with the City of Eugene to stop adding methane gas to the local energy mix.

Madeline Cowen of Eugene, and representing Cascadia Wildlands, asserted that the EWEB Board of Commissioners should publicly condemn General Manager Lawson's proposal at the joint meeting with Eugene City Council to expand natural gas infrastructure to more homes in Eugene which she believed to be a coordinated effort with NW Natural to help the latter avoid regulation. Finally, Ms. Cowen said it was apparent that climate change was no longer a threat, but a reality, and EWEB needed to do everything it could to get Eugene completely off of fossil fuels.

Commissioner Barofsky said he hoped EWEB would rejoin the LCROA, as it was an excellent way to reach rental property owners about electrifying their rentals.

Mr. Lawson said he would look into why EWEB was no longer a member of the LCROA, and he would explore avenues to rejoin, as he agreed with Commissioner Barofsky about reaching rental property owners. He said he would follow up with the Board before the next meeting.

Commissioner Carlson assured Mr. Robinowitz that she and other EWEB Commissioners were paying attention to the project and making sure that it is as low impact to the residents as it can be.

President Schlossberg mentioned EWEB and Eugene City Council leaderships had discussed a second, more in-depth joint work session focused on electrification later in the autumn, or early winter.

Mr. Lawson said that while he was working in collaboration with NW Natural, and several other regional energy entities, he was not doing so in an attempt to undermine local climate action, but rather working jointly on several topics, including: renewable hydrogen, dual fuel heat pump technology, and the potential for carbon offset investments in the McKenzie Watershed. He added that EWEB has always supported electrification, and that fact is supported by the over 50 energy efficiency, conservation, and electrification programs EWEB has currently.

Joint Work Session with City of Eugene – Debriefing and Discussion

President Schlossberg posited some of the contention arising over the joint work session, was due to the difficulties of two separate entities participating in a Zoom meeting.

Commissioner Carlson stressed EWEB should have a specific electrification proposal to present to the Eugene City Council at their next joint meeting, rather than just a list of options.

Mr. Lawson pointed out that EWEB staff and the Eugene City Manager and her staff, had a great working relationship, and pointed to the awkwardness of the meeting format

as to causing frustration for participants and the public. He said, in retrospect, the presentation he offered at the joint work session was poorly timed, and possibly should not have been offered in that particular environment.

Vice President Brown said he took no issue with Mr. Lawson's presentation, saying he dreaded the time where it was not encouraged to explore several different avenues, and to ask questions concerning them. He added EWEB and the City itself would benefit the most from electrifying the transportation sector, and expressed surprise that no one had mentioned that at all in the joint work session. In response to earlier public comment he clarified that the EWEB Board and the City Council do not currently hold quarterly joint meetings. He added he sensed division between the City Council and the utility, and that it was very important the two entities work together.

Commissioner McRae agreed with his colleagues about the awkwardness and difficulty of Zoom meetings; he said he looked forward to returning to in-person meetings. He agreed specifically with Commissioner Carlson about putting together a proposal ahead of future joint work sessions.

Commissioner Barofsky suggested the relationship with the Eugene City Council should be that of a very responsible and valuable advisory committee to the City of Eugene in certain areas, and the relationship could be reciprocated by Eugene City staff to EWEB. He said when there is over a dozen elected officials all trying to make points at meetings like this, it does not work.

Commissioner Carlson proposed putting tangible, quantifiable carbon reduction goals into EWEB's Strategic Direction #15 (SD15) concerning climate change. She received confirmation from other Board members

Vice President Brown wondered if there would be a triple-bottom line (TBL) analysis done on SD15. He was uneasy with the suddenness of this decision, and lack of discussion leading up to and informing it.

Commissioner Carlson pointed out EWEB had passed a Resolution in 2011 affirming solid carbon reduction goals, and she was only asking to apply those goals to SD15.

Mr. Lawson said there were a couple of ways the Board could go about adding these goals to SD15: they could have staff return to them with the things the Board thinks are missing, or they could have a facilitated discussion about SD15 at a future Board meeting.

President Schlossberg asked if there were any open work session times available.

Mr. Lawson replied no, but they could possibly schedule a work session after the Holidays.

Commissioner Carlson pointed out that Board meeting packets are usually 400-500 pages due to the budget, and the Board might not have the bandwidth at that time to take on adding quantifiable carbon reduction goals to SD15.

Vice President Brown said he took no issue with extra meetings, as the subject matter was of the utmost importance, and it was the Board's job to address it.

Commissioner Barofsky said he was in support of pursuing this, but it was important that the subject matter be well thought out and concise beforehand.

Approval of Consent Calendar – A Minutes and Routine Contracts

MINUTES

- 1. a. August 3, 2021 Executive Session - Amended**
- b. September 7, 2021 Executive Session**
- c. September 7, 2021 Regular Session**

CONTRACTS

- 2. BCI Contracting, White's Tree Service LLC, and Brink Brothers Inc. -** for three contracts for Hazard Fuel Management. \$4,500,000 (between three contracts over 5 years) based on Formal Invitation to Bid.

Commissioner Carlson 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

- 3. Wolf Water Resources -** for Wetland Delineation and Hydraulic Modeling services. \$300,000 (over 5 years) based on Formal Request for Proposals using the Qualification Based Selection (QBS) process.

RESOLUTIONS

- 4. Resolution No. 2112-** Update to Board Policy GP10 Public Input.
- 5. Resolution No. 2114 -** Annual Investment Policy Review.
- 6. Resolution No. 2116 -** Update to Board Policy SD1, Mission, Vision, Values & Legacy and Amendment to Strategic Plan.

Commissioner Carlson moved to approve Consent Calendar B. The motion passed unanimously 5:0

2022 Draft Electric & Water Budgets and Long-Term Financial Plans - Update

Ms. Hart and Mr. Rue offered the Board an update on the draft 2022 electric and water budgets, and EWEB's long-term financial plans (LTFP).

Public Hearing on 2022 Budget Assumptions and LTFP

President Schlossberg opened the public hearing on 2022 budget assumptions and LTFP.

Mark Robinowitz of Eugene warned that in their efforts to electrify Eugene, EWEB might make it more difficult to focus on solar power in the city. He asserted this was especially true when much of the electricity being generated was done so through the burning of natural gas.

President Schlossberg closed the public hearing on 2022 budget assumptions and LTFP.

2022 Draft Electric & Water Budgets and Long-Term Financial Plans - Direction

Commissioner Carlson was curious about what factors staff used to account for inflation in the coming year.

Mr. Rue said they typically projected out a lot of the purchase power costs, separate than any of inflationary adjustments, so they look at individual power contracts or wholesale markets.

Commissioner Carlson asked if there was any wiggle room as far as where the model shows EWEB's debt service coverage ratio heading, and where it might actually go.

Mr. Rue said that staff had looked at how to balance any unknown future costs against the utility's most conservative budget assumptions.

Commissioner Carlson wondered if it would be better to budget higher to try and offset the various unknown costs.

Mr. Lawson said it was possible for EWEB staff to make adjustments, especially on the capital side of the utility, to mitigate the impacts of unknown costs. He added these mechanisms made it so staff did not have to come before the Board regularly for the Board to approve budget amendments.

Commissioner Barofsky asked about the inflationary pressures discussed on page 73 of the board packet that would result in rate increases. Referencing the scenario of a 5% inflationary increase for non-labor O&M, he inquired whether that meant a whole 5% higher than the 3% the utility was already budgeting for, or 2% higher than budgeted.

Mr. Rue said that it referred to a 5% inflationary increase instead of the currently budgeted 2% for non-labor O&M, and 3% for the capital plan.

Mr. Barofsky asked what effect drawing down the rate stabilization fund would have on rates.

Mr. Rue said the Finance Department would have to do some modeling specific to Commissioner Barofsky's question, and get back to him.

Commissioner McRae praised the amount of foresight required by EWEB to set up a rate stabilization fund in order to more easily moderate rates. He asked for the meaning of the key assumption that refers to "51 megawatt hours melded mid-market price curve".

Mr. Rue explained there were typically on- and off-peak prices the Finance Department staff looked at for wholesale power activity, and the melded price was the weighted average of those prices.

Commissioner McRae said in the future, he would like to see a discussion of bills alongside the discussion of rates. He felt keeping energy bills affordable was essential.

Commissioner Barofsky asked for clarification on the talking point of energy prices going down in the future, instead of rising.

Mr. Rue offered that although the energy sector has presented with volatile price fluctuations in the near-term, the long-term projections showed more consistency.

Break

President Schlossberg called for a break at 7:40. The meeting reconvened at 7:45.

Water Utility Second Source Project - Update/Planning

Ms. Kelley and Mr. McCullough offered the Board an update on the water utility second source project.

Commissioner Carlson asked if a meeting with the City of Springfield would be handled at the staff level, or would it behoove EWEB Commissioners to also participate.

Mr. McCullough said in the past, it had been General Manager-level discussions with City of Springfield.

Commissioner Carlson wondered if the plans for an EWEB plant on the Willamette River were still the same now as they were in 2017.

Mr. McCullough said it was the exact same plant.

Commissioner Carlson said she was in support of moving forward with the second source facility.

Vice President Brown asked if there was a way to position the EWEB intake on the second water source facility, so that it was above the confluence of the Coast Fork of the Willamette. He said this was to avoid dealing with effluent from other municipalities.

Mr. McCullough said in order to move the intake upstream, it would have to be placed in the Middle Fork of the Willamette, which presented challenges, including a reduced capacity.

Vice President Brown asked if water temperature would be an issue.

Mr. McCullough, recalling the past preliminary design efforts, said that had not been an issue as far as blending water into EWEB's system.

Vice President Brown asked if there is risk in the utility moving forward with site and building design, permitting, etc. before the land-use issues are settled.

Mr. McCullough concurred that EWEB must start working on land use matters as soon as possible. He said that both potential sites have similar constraints, including land use requirements, and involving the Public Facility Services Plan, as well as required amendments to the Glenwood Refinement Plan, et cetera. He offered an advantage to the second site, that was negotiated with the Springfield Utility Board, was that it would result in a consolidated utility footprint.

Vice President Brown asked if there were plans to work jointly with SUB on watershed management, similar to what EWEB does in the McKenzie Watershed.

Mr. McCullough said it was far too early in the process to address the management of the Willamette Watershed.

Ms. Kelley offered that it is certainly our hope to partner with SUB and other agencies who are interested in protecting that source.

Commissioner Barofsky asked if the facility would be gravity-fed or pumped.

Mr. McCullough said it would be pumped, similar to EWEB's Hayden Bridge facility.

Commissioner Barofsky asked if the new facility were pumping five million gallons of water a day (mgd), and the South Eugene area did not consume that much. Would all that water come from the new facility on the Willamette.

Mr. McCullough said, depending on the time of year, between 40 and 80% of the 5 mgd would be Willamette water.

Commissioner McRae asked about the 2013 water permit mentioned in the presentation. He wondered if that was in addition to EWEB's pre-1909 water right.

Mr. McCullough said it was, and it basically mimicked that original water right.

President Schlossberg asked if the second source facility would be built to more modern seismic standards than older EWEB facilities, like the Hayden Bridge facility.

Mr. McCullough said it was being built to be operational no more than 24 hours after the Cascadia earthquake.

EWEB Headquarters Property Disposition

Mr. Lawson and Ms. Kah offered the Board a report and PowerPoint presentation on the disposition of the EWEB headquarters property.

Commissioner Barofsky said it was his hope the headquarters property be utilized to the utmost, and not end up sitting empty.

Vice President Brown said he hoped the property dealings could be settled quickly, and not drawn out like other large properties in Eugene.

Mr. Lawson opined to the Board that the old headquarters property be sold outright, as opposed to renting/leasing, putting EWEB in a landlord position.

Commissioner Carlson said she too hoped the property would be occupied, and utilized in a way which benefitted the community.

Commissioner McRae said EWEB should continue to pursue selling the property to a public entity.

President Schlossberg said she was looking forward to getting the information from the local school district, SD4J, about how they dealt with an old property of theirs.

Correspondence & Board Agendas

Mr. Lawson offered the Board a report on correspondence and Board agendas.

Board Wrap Up

Vice President Brown said if EWEB were to raise rates, it would be a financial windfall to the City of Eugene because of the benefit they would get from Contributions in Lieu of Taxes CILT. He said the utility should suggest to the City that a portion of that money be used to achieve their climate recovery goals.

Commissioner Barofsky said he would like the opportunity to spend more time on important topics such as the second water source project. He said he hoped to come out to the Roosevelt Operations Center (ROC), to spend a little more time on such topics. He added that he would like to meet with Ms. Hart and the EWEB Finance Department before the budget comes out.

Mr. Lawson assured Commissioner Barofsky, and the entire Board, if there was a Commissioner who wished to take a deeper dive on any subject, staff time would be dedicated to it.

Commissioner Carlson said it helped her a great deal to be able to send questions to staff outside of a Board meeting. She said she always received thorough responses.

President Schlossberg agreed with Commissioner Barofsky about the importance of one-on-one time between Commissioners and staff, and wondered at the feasibility of these types of meetings with staff before a Board meeting.

Mr. Lawson said there were several avenues the board and staff could take; he mentioned that often large, more complex, and significant topics were stretched out over several months of Board meetings, to allow the Board to better digest them.

President Schlossberg adjourned the meeting at 8:57 p.m.

Recorded by Rodney Cimburke

Assistant Secretary

President

EWEB Board Consent Calendar Request

For Contract Increases

The Board is being asked to approve additional funds for engineering services with **Black & Veatch Corporation** for the **replacement of a switch gear at the International Paper mill**.

Board Meeting Date: 11/2/2021
Project Name/Contract #: IP TG Unit 4 Switchgear Replacement / 21-011-Q
Primary Contact: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$350,000
Term of Agreement: 2 years
Additional \$ Previously Approved: \$ 0
Percentage over last approval: 85.7%
Amount this Request: \$300,000
Resulting Cumulative Total: **\$650,000**

Contracting Method:

Method of Solicitation: Formal Request for Proposals – QBS Process
If applicable, basis for exemption: N/A
Option to Renew? No
Approval for purchases “as needed”
for the life of the Contract Yes ☐ No ☒
Proposals/Bids Received (Range): 3 (\$218,000 to \$248,200)
Selection Basis: Qualification Based Selection (QBS process)
Narrative:

Operational Requirement and Alignment with Strategic Plan

The IP steam turbine generation system was constructed in 1976 and the majority of system components are original. Many components are approaching the end of their useful service life and require replacement or upgrading, including the switchgear. The planned improvements will modernize the equipment and allow for safer and more reliable operation of the generating unit for the foreseeable future.

Additional Work Needed

To support EWEB’s current standardized protective relaying technology as part of the switchgear installation at the IP steam turbine generator, there are two relay/communication panels in the downstream substation that also need to be upgraded to the current standard equipment. This expansion of the project to the substation will include replacement of a copper communication wire with fiber optic cable, electro-mechanical relays with digital equipment, as well as the communication equipment between the two facilities. The additional scope also includes developing detailed commissioning procedures for the generator and substation equipment, as well as development of relay settings for both facilities. This substation work was previously scheduled in the capital plan for 2025, but needed to be accelerated to achieve full functionality of the switchgear upgrade.

Contracted Goods or Services

To implement the capital improvement program, EWEB requires consulting engineering services to support the procurement of longer lead time equipment, the design of equipment replacements/upgrades, as well as construction period tasks. The two-year contract originally had a not to exceed amount of \$350,000, but Staff is requesting an additional \$300,000 for additional services.

Purchasing Process

A formal Request for Proposals was posted to the State of Oregon bid site (ORPIN) in February 2021. Four responses were received. Three were deemed responsive and responsible. Criteria for scoring included 85 points for Project Understanding & Project Approach, Firm Qualifications & Experience, Project Team Qualifications & Experience, Project Management, and 15 points for Pricing.

The proposals were evaluated and ranked in order of best overall value. Black & Veatch was selected as the highest ranked proposer.

Proposals Received

Vendor Name	City, State	Pricing Proposal	Ranking (for Request For Proposals)
Black & Veatch	Tualatin, OR	\$248,217	1
Burns McDonnell	Centennial, CO	\$217,953	2
EN Engineering	San Ramon, CA	\$221,131	3

The proposed contract structure is that of a master services agreement (MSA) and will eventually include several individually negotiated task orders. Identified task orders will include switchgear upgrade design and protective relay upgrade design.

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
024-2015	Design Support for Carmen Power Plant Upgrades	11-3-15	10 years beginning November 2015	\$5,800,000	\$9,000,000
19-052-Q	Cascadia Emergency Preparedness	N/A	16 months	\$89,000	\$89,000
20-129-Q	Smith Spill Lift	N/A	June 2020 to December 2021	\$89,500	\$89,500

ACTION REQUESTED:

Management requests the Board approve a contract with Black & Veatch for engineering services for replacement of the switchgear at the EWEB-owned steam turbine generator system at the International Paper mill in Springfield. Approximately \$750,000 was planned for these engineering design support services for the IP generation system in the Generation Department Type 1 and 2 capital budget during the period 2021 through 2025. The overall Type 1 and 2 capital budget at IP for this period is \$10.2 million. Variances will be managed within the budget process and Board policy.

EWEB Board Consent Calendar Request

For Contract Increases

The Board is being asked to approve additional funds for **Concrete Removal and Replacement Services with Pacific Excavation.**

Board Meeting Date: 11/2/2021
Project Name/Contract #: Concrete Removal & Replacement Services / 20-208-PW-Group B/Amend. #2
Primary Contact: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$192,000 (over 5 years)
Term of Agreement: 5 years
Additional \$ Previously Approved: \$ 0
Percentage over last approval: 160.4%
Amount this Request: \$308,000
Resulting Cumulative Total: **\$500,000 (Over 5 years)**

Contracting Method:

Method of Solicitation: Formal Invitation to Bid
If applicable, basis for exemption: N/A
Option to Renew? Yes, annually up to 5 years total

Approval for purchases *"as needed"*

for the life of the Contract Yes ☒ No ☐

Proposals/Bids Received (Range): 3 – (\$192,000 to \$254,000)

Selection Basis: Lowest responsive and responsible bid

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB requires concrete removal & replacement services for restoration after performing work on water and electric underground infrastructure. Work performed under this contract will meet all City, County and State specifications and reflects Consistent Performance in the Strategic Plan.

Additional Work Required:

In January 2021, the Board approved two concrete services contracts: One for Group A (under 100 sqft), / \$520,000 over five years) and another for Group B (over 100 sqft / \$192,00 over five years). Due to unforeseen repairs, a large project requiring extensive concrete work and a miscalculation of the need for Group B work, the originally approved \$192,000 has already been reached. Staff is requesting an increase of \$308,000 of the Group B contract and foresees a needs reduction of approximately \$308,000 for the Group A work, bringing the overall increase between the two contracts to a zero net effect.

Contracted Goods or Services

Contractor will continue to remove and replace concrete throughout EWEB's water service area. Locations and quantities will be identified and directed by EWEB staff.

Purchasing Process

In November 2020, EWEB issued a formal Invitation to Bid for concrete removal and replacement services for two different levels of service. The solicitation was publicly advertised on ORPIN. Three (3) bids were received and Pacific Excavation, Inc. provided the lowest bid for Group B and was deemed responsive and responsible.

Bidder Information

Vendor Name	City, State	Offered Price	Ranking (for Request For Proposals)
Pacific Excavation	Harrisburg, OR	\$192,210	N/A
Brown Contracting	Eugene, OR	\$197,025	N/A
AB Utility	Eugene, OR	\$253,395	N/A

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
037-2014	Leaburg Lake Improvement Projects	N/A	8 months	\$98,000	\$98,000
PO #8138 (2016)	Carmen Diversion Spillway Improvements	N/A	8 months	\$72,000	\$72,000
PO #5509 (2016)	Walterville Embankment Repairs	N/A	4 months	\$90,000	\$90,000

ACTION REQUESTED:

Management requests the Board approve an increase to the Pacific Excavation contract in the amount of \$308,000. These services are primarily used in the construction of main replacements and improvements. For 2021, approximately \$4 million is budgeted for these type of construction services, which includes approximately \$250,000 in concrete services as part of the overall \$20 million water capital plan. 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 contract with **Stillwater Sciences** for **fish stranding study design, monitoring services, and development of the Trail Bridge Reservoir Fish Stranding Management Plan.**

Board Meeting Date: 11/2/2021
Project Name/Contract #: Fish Stranding Management at Trail Bridge Reservoir / 21-125-PSC
Primary Contact: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$2,700,000
Additional \$ Previously Approved: \$0
Invoices over last approval: \$0
Percentage over last approval: 0%
Amount this Request: \$2,700,000
Resulting Cumulative Total: **\$2,700,000**

Contracting Method:

Method of Solicitation: Formal Request for Proposals
If applicable, basis for exemption: N/A
Term of Agreement: Five years
Option to Renew: No
Approval for purchases *"as needed"*
for the life of the Contract Yes ☐ No ☒
Proposals/Bids Received (Range): 3
Selection Basis: Highest Ranked Proposer

Narrative:

Operational Requirement and Alignment with Strategic Plan

On May 17, 2019, the Federal Energy Regulatory Commission (FERC) issued to the Eugene Water & Electric Board (EWEB) an operating license for the Carmen-Smith Hydroelectric Project. The license requires EWEB to develop a fish stranding monitoring plan for Trail Bridge Reservoir and complete a minimum of 5 years of monitoring after fish passage and all habitat enhancements are completed.

The Board is being asked to approve a new Personal Services contract with Stillwater Sciences of Portland, Oregon, for the purchase of environmental study design, monitoring services, and plan development for the Trail Bridge Fish Stranding Management Plan. The Stranding Management Plan includes bank modifications to specific areas of Trail Bridge Reservoir to reduce stranding of juvenile fish, annual population estimates of juvenile Chinook entering Trail Bridge Reservoir, the development of a monitoring program, and implementation of the monitoring plan for a minimum of 5 years. The Stranding Management Plan is designed to limit stranding in Trail Bridge Reservoir such that it does not adversely impact populations of Chinook salmon and bull trout.

Contracted Goods or Services

The Consultant will provide study design and monitoring services for the Trail Bridge Reservoir Stranding Management Plan at the Carmen-Smith Project. The total fee estimate that includes study design and monitoring for 5 years is \$2,700,000. There are four Task Orders included in this contract: 1) Develop the Stranding Management Plan & Schedule that sets out the sequence and schedule for the other task orders, 2) Provide Biological Guidance for Bank Modification Design to EWEB's engineering consultant, 3) Develop the Study Plan for the stranding surveys and Chinook fry population estimates, and 4) implement the monitoring plan. The stranding surveys cannot be implemented until fish passage is complete and current uncertainties regarding fish passage construction completion may impact timing of Task Order 4.

Stillwater billing rates are consistent with environmental engineering firms in the Pacific Northwest and as compared to other firms currently doing similar work for EWEB.

Purchasing Process

On July 28, 2021, in accordance with Oregon public procurement rules, EWEB initiated a Request for Proposals (RFP) using the formal Request for Proposals process for personal services for development and implementation of the Stranding Management Plan in Trail Bridge Reservoir at the Carmen-Smith Project. Proposals were received from three firms. All three firms were responsive and responsible. The RFP was advertised on the Oregon Buys bid site for the state of Oregon.

The proposals were evaluated by an EWEB selection team. The maximum number of possible points for responses was 100, using the following sub-criteria and maximum number of points for each: Minimum Qualifications (Pass / No Pass – Not scored), Project Understanding (20 points), Project Approach (30 points), Project Team Qualifications and Experience (25 points), Project Management Strategy (15 points), Rate Sheet Evaluating (10 points).

Stillwater Sciences was selected as the most qualified consultant, offering the best overall value of experience and approach, including extensive experience with related EWEB projects.

Proposals Received

Vendor Name	City, State	Ranking
Stillwater Sciences	Portland, OR	1
Four Peaks Environmental	North Bonneville, WA	2 (tie)
Meridian Environmental, Inc.	Forest Grove, OR	2 (tie)

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
20-139-PSC	Wildlife Habitat Management Plan	N/A	In progress until 12-31-21	\$125,570	\$125,570
19-130-PSC	Biological Evaluation / Spotted Owl Analysis	N/A	In progress until 12-31-21	\$112,000	\$142,400
Q2561	Updates to the Biological Assessment to the License Application	N/A	1 year, 10 months	\$90,000	\$90,000
19-2778Q	Carmen-Smith License Review	N/A	1 year, 7 months	\$45,000	\$45,000

ACTION REQUESTED:

Management requests the Board approve a contract with Stillwater Sciences for study design services for the Trail Bridge Reservoir Fish Stranding Management Plan. Approximately \$75,000 was planned for these services in the Carmen-Smith License Deployment Department 2021 budget of \$19.6 million, with most of the contracted work included in future year capital plans. 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 contract with **Virginia Transformer Corporation** for **Substation Regulators**.

Board Meeting Date: November 2, 2021
Project Name/Contract #: Two 1500/2000 KVA 3 Phase Substation Regulators / 21-190-GS
Primary Contact: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$780,000
Additional \$ Previously Approved: \$0
Invoices over last approval: \$0
Percentage over last approval: 0%
Amount this Request: \$780,000
Resulting Cumulative Total: **\$780,000**

Contracting Method:

Method of Solicitation: Formal Invitation to Bid
If applicable, basis for exemption: N/A
Term of Agreement: June 30, 2022 delivery
Option to Renew? No
Approval for purchases *"as needed"*
for the life of the Contract Yes ☐ No ☒
Proposals/Bids Received (Range): 3 (\$777,758 to \$1,329,730)
Selection Basis: Minimum calculated bid cost of responsive and responsible bids
Narrative:

Operational Requirement and Alignment with Strategic Plan

The Board is being asked to approve a one-time purchase of two (2) Substation Regulators from Virginia Transformer Corporation.

Engineering reviewed the asset replacement strategy in May 2020 as compared to the plan developed in 2011 and the memo "Substation Transformer and Regulator Spares Expansion, May 26, 2020" recommends that EWEB purchase additional spare units of common substation transformers and substation regulators to address failures due to old age and obsolete parts. The contract for spare substation transformers in accordance with this memo was approved in December 2020 (RFP 20-158-G). This contract is for the spare substation regulators.

Substation regulators are used to adjust voltage provided by the substation in real time. As customer load increases, supplied voltage would drop unless a regulator corrects this at the substation. New transformers come equipped with Load Tap Changers (LTC) which provides the same function as a regulator. Older transformers use standalone regulators, which is what we are purchasing with this contract. EWEB uses 21 substation regulators with an average age of 41.3 years.

EWEB has ten (10) regulators that are obsolete and one (1) of these units has been removed from service due to failure. The substation regulators purchased under this contract will allow the replacement of this failed unit and add one (1) spare in the event of the next unexpected failure. This is in alignment with Phase 1 of EWEB's Strategic Plan, ensuring Consistent Performance.

Contracted Goods or Services

This contract is for two (2) substation regulators, designed to be paired with an in service 20MVA transformer.

The contractor will design, manufacture, test, and deliver the regulators to an EWEB substation. No field services are included in this contract.

The total cost of these regulators is \$388,879 each for a total cost of \$777,758. The regulators have a 30-week lead time and are expected to arrive mid-2022.

Purchasing Process

In September 2021, Purchasing initiated a formal Invitation to Bid for Two 1500/2000 KVA 3 Phase Substation Regulators. Bids were received from three (3) firms; Virginia Transformer Corporation, Fleming Electric, Inc, and WESCO/Anixter. All bids were deemed responsive and responsible.

Bids were evaluated on price, after being adjusted for regulator design losses, to ensure the evaluation was based on the total lifetime cost to EWEB and not just material cost. Virginia Transformer Corporation was selected based on offering the lowest total lifetime cost.

Bids Received

Vendor Name	City, State	Offered Price
Virginia Transformer Corporation	Roanoke, VA	\$777,758
Fleming Electric, Inc. (Toshiba Regulator)	Tequesta, FL	\$1,006,000
WESCO/Anixter (Siemens Regulator)	Portland, OR	\$1,329,730

Prior Contract Activities

EWEB purchased a 12/16/20MVA power transformer from Virginia Transformer in February 2004. This unit met specifications and expectations but there were several oil leaks that needed to be addressed by the manufacturer after delivery. Following that initial period and remedy, no manufacturer related issues in unit condition, quality or performance have been reported.

ACTION REQUESTED:

Management requests the Board approve a contract with Virginia Transformer Corporation for the purchase of two (2) substation regulators. Approximately \$780,000 was planned for these goods in the 2021 Electric Capital Budget of \$51.3 million, however costs will not be shown as spent until the equipment is deployed for service for projects. Variances and adjustments have been accounted for and will be managed within the budget process and Board policy.