

## **EWEB Board Consent Calendar Request**

*For Cooperative Contracts*

The Board is being asked to approve a cooperative purchase with **Altec Industries** for **three Insulated Over-Centered Aerial Man-Lifts Trucks**.

Board Meeting Date: 12/7/2021  
Project Name/Contract #: Insulated Over-Centered Aerial Man-Lifts Trucks Purchase / Cooperative Contract 012418-ALT  
Primary Contact: Karen Kelley Ext. 7153  
Expected Expenditure: **\$1,200,000.00**

### Narrative:

The Board is being asked to authorize the use of the Sourcewell cooperative contract 012418-ALT for the purchase of three Insulated Over-Centered Aerial Man-Lifts Trucks. Staff requested a quote from Altec Inc. based on the cooperative contract. The quote for these vehicles meets our operational requirements and is competitively priced. Like other cooperative programs, this Sourcewell agreement leverages the purchasing power of public entities across the country to deliver competitive pricing and sourced contracts to public entities like EWEB. The Sourcewell contract offers a discount of 5% on the purchase of these vehicles.

### Operational Requirement and Alignment with Strategic Plan:

EWEB requires the use of Insulated Over-Centered Aerial Man-Lifts (Bucket) Trucks for routine operation and maintenance activities as well as emergency response activities during storms or outages. These units will be replacing ariel lift units that are 16-18 years old at replacement. With the pandemic, production build times have reached levels we haven't experienced as we are now seeing delivery dates in 2024. With structural fatigue on aerial devices, EWEB staff have determined that replacing the units now is more cost effective than attempting to repair the aging equipment.

### **ACTION REQUESTED:**

Management requests the Board authorize the use of Sourcewell Contract 012418-ALT for the purchase of three Insulated Over-Centered Aerial Man-Lifts Trucks from Altec Inc. The unit delivery times are 720-980 days after receipt of PO, and because of this, will fall under budget year 2024. Approximately \$1.4 million is planned for vehicle purchases in the Electric 2024 Budget long term capital plan (type 1) of \$19.27 million. 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 **Elevate Technology Group** for **Private Broadband Connectivity at Carmen Smith**.

Board Meeting Date: 12/7/2021  
Project Name/Contract #: Private Broadband Connectivity Contract 21-243-S  
Primary Contact: Rod Price Ext. 7122

### **Contract Amount:**

Original Contract Amount: \$240,000 over 5 years  
Additional \$ Previously Approved: \$0  
Invoices over last approval: \$0  
Percentage over last approval: 0%  
Amount this Request: \$240,000 over 5 years  
Resulting Cumulative Total: **\$240,000 over 5 years**

### **Contracting Method:**

Method of Solicitation: Direct Negotiation  
If applicable, basis for exemption: EWEB Rule 3-0275 Sole Source Procurements  
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): NA  
Selection Basis: Sole Source Supplier

Narrative:

#### Operational Requirement and Alignment with Strategic Plan

In 2020, EWEB entered into a temporary agreement with Elevate Technology Group to allow installation of point-to-point microwave circuits on the towers at Smith Ridge and Belknap Bluff. This was used to provide connectivity to the fire-affected upper McKenzie community, including schools, shelters, gas stations, Forest Service ranger stations, etc. As a shared benefit, EWEB was provided a network connection that provided a redundant link to our corporate phones, email, security systems and other critical applications. The temporary communication link replaced all the existing fiber links that were destroyed in the fire in the upper McKenzie area and were months away from restoration. Elevate covered the costs to help provide internet connectivity to the area.

Now that the previous service has been restored to the area, Elevate has applied to make their connection permanent on the EWEB owned towers at Smith Ridge and Belknap which was recently approved. The benefits of having the dedicated secondary link for connectivity for Carmen Smith have been important during the short period it has been available. During multiple system outages and upgrades during 2021, the backup link has maintained critical system connections to the EWEB staff at Carmen Smith. As noted earlier, this includes the EWEB security system, Real-time Traders, corporate phones, email, internet to the EWEB operator's homes and Wi-Fi phone service for cell phones.

Additionally, connectivity is also supplied to the AlertWildfire camera installed on the Smith Ridge Tower. The camera is part of a network of cameras that provide critical real-time monitoring of wildfires.

Contracted Goods or Services

Private Broadband connectivity to Carmen Smith facilities including the AlertWildfire camera.

Purchasing Process

There are currently no other alternate providers for broadband connectivity to Carmen Smith and the surrounding areas. For these reasons, Staff has deemed Elevate Technology Group to be a sole source provider for private broadband connectivity.

BIDS RECEIVED

NA

Competitive Fair Price

There are currently no commercially viable options available that provide the bandwidth needs to support all of the systems and applications at Carmen Smith.

Prior Contract Activities

NA

**ACTION REQUESTED:**

Management requests the Board approve a contract with Elevate Technology Group for private broadband connectivity. Approximately \$48,000 will be planned for these services in the upcoming Electric O&M 2022 budget. 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 additional funds for **enhancing carbon sequestration and fire resilience in water and energy production systems research** with the **University of Oregon**.

Board Meeting Date: 12/7/21  
Project Name/Contract #: Carbon Sequestration / Intergovernmental Agreement 20-104-IGA  
Primary Contact: Karen Kelley Ext. 7153

### Contract Amount:

Original Contract Amount: \$140,000  
Additional \$ Previously Approved: \$0  
Invoices over last approval: \$0  
Percentage over last approval: 0%  
Amount this Request: \$200,000  
Resulting Cumulative Total: **\$340,000**

### Contracting Method:

Method of Solicitation: Direct Negotiation  
If applicable, basis for exemption: ORS 190.010  
Term of Agreement: 5 years  
Option to Renew? No  
Approval for purchases "as needed"  
for the life of the Contract: Yes  No   
Proposals/Bids Received (Range): NA  
Selection Basis: NA - Direct Negotiation

Narrative:

### Operational Requirement and Alignment with Strategic Plan

The board is being asked to approve an expanded scope of the existing UO-EWEB collaboration. As part of the post-Holiday Farm Fire watershed restoration efforts, EWEB is working with partners to implement large scale floodplain restoration projects to buffer impacts from burned landscapes on water quality and increase fish and wildlife habitat. The UO-EWEB collaboration will scale up the carbon sequestration measurement and modeling efforts beyond the research site at High Banks Road to include large-scale floodplain restoration project areas. The science shows that floodplain depositional environments are likely high quality carbon sinks able to absorb carbon dioxide from the atmosphere. UO scientists, professional research staff, and graduate students have the opportunity at Quartz Creek and Finn Rock Reach (Phase 2) restoration areas to measure existing carbon sequestration rates prior to conducting large floodplain restoration work in 2023 and then begin to measure the carbon sequestration trajectory once the valley is restored to large floodplain depositional environments. This research will be expanded to include other floodplain restoration projects already completed (Deer Creek and South Fork McKenzie) and compare it to traditional restoration work.

The increased scope of the UO research will inform future restoration designs and carbon sequestration projects that support the strategic direction EWEB is pursuing to develop effective ways to mitigate greenhouse gas emissions, increase resiliency to climate change impacts, and establish customer facing programs that promote climate solutions while providing co-benefits to water quality and watershed health. Research will be led by UO scientists, professional research staff, and graduate students with assistance from undergraduate students for training of the next generation of solution-oriented environmental scientists.

To this end, an amendment to the current IGA is requested to add \$200,000 over 4 years (2021-2024) to be allocated as follows:

- Equipment and supplies for fieldwork and laboratory experiments for periodic measurements and quantitative spatiotemporal projections of plant and soil carbon dynamics **\$50,000**
- Part-time technician (salary and benefits) or postdoctoral fellow with experience in data-enabled modeling, carbon markets, and ecosystem restoration **\$80,000**
- Graduate students (salary and benefits) to lead field crews, generate and analyze data, and model carbon benefits at local to landscape scales **\$60,000**
- Undergraduate student summer support for field and laboratory training in environmental sciences aimed at workforce development **\$10,000**

Project Deliverables

- Baseline carbon surveys
- Carbon measurement/verification plan/process development
- Literature review and projection of carbon gain above and below ground
- Quantification of fire effects on carbon stocks in stand-replacing and prescribed burns
- Baseline description of plant and tree species composition and survival rates of introduced species
- Dozens of students exposed to scientific methods including field and laboratory surveys
- New research proposals to federal agencies using this project as proof-of-concept for Landscape Carbon Sequestration and Atmospheric Recovery

Purchasing Process

This was a direct negotiated Intergovernmental Agreement with authority granted under ORS 190.010 allowing governmental bodies to enter into agreements for the performance of any or all functions and activities that the Parties to the Agreement, their officers, or agents have the authority to perform. This Agreement is a unilateral effort of governmental entities, both working to serve the public good.

Prior Contract Activities

EWEB Contract	Project Name (Description)	Board Approval Date	Project Duration (Notice to proceed to close out).	Original Contract Amount	Final Contract Amount
20-104	Carbon Sequestration	NA	06/08/2020 to 04/30/2025	140,000	140,000

**ACTION REQUESTED:**

Management requests the Board approve an increase to the Intergovernmental Agreement with U of O for enhanced carbon sequestration and fire resilience field surveys and research. Approximately \$350,000 was planned for these goods and services in the Holiday Farm Fire Restoration 2021 budget of \$3.9 million and 2022 proposed budget of \$4.25 million. Variances will be managed within the budget process and Board policy.



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD



TO: Commissioners Schlossberg, Brown, Carlson, Barofsky, and McRae  
 FROM: Deborah Hart, CFO; Adam Rue, Fiscal Services Supervisor  
 DATE: December 1, 2021  
 SUBJECT: Electric O&M and Capital Budget Amendments  
 OBJECTIVE: Approval of Resolution No. 2121

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### Issue

Per Board Policy EL-1, the approved budgets are the maximum level of expenditure authorized by the Board. Management is projecting costs will exceed budget for the Electric Utility this year due to higher purchase power costs as well as a shift in overhead from capital to O&M due to lower capital spending. Management is requesting Board approval of a budget amendment. No budget amendment(s) are expected for the Water Utility this year.

### Discussion

Annually the finance staff project year end variances to budget. Similar to prior years, certain Electric Utility actual costs are expected to exceed the O&M budgets, and some have shifted between the capital and O&M budgets. The variances have been outlined in the table below. There are two operational changes impacting the budget amendment request.

First, purchase power costs are expected to exceed budget by \$25.1 million, primarily due to higher wholesale market prices, increased retail demand, which required additional purchases, and portfolio balancing activity. The increased wholesale market prices impacted both purchased power costs and wholesale revenue, as did the increased portfolio balancing activities. The additional wholesale revenue is expected to exceed budget by \$19.2 million, offsetting the purchase power costs. The retail demand is expected to exceed budget resulting in \$6.7 million of additional retail revenue.

Second, lower projected capital spending shifted costs from capital to O&M.

	<b><u>Electric</u></b>
Approved Operations & Maintenance Budgets	\$217,700,000
<i><u>Operational Changes:</u></i>	
Purchase Power	\$25,100,000
Shift of Labor and Overhead from Capital to O&M	\$3,900,000
Total Projected O&M Budget Amendment	\$29,000,000
Total Projected O&M Budgets	\$246,700,000

**Capital Budget**

The shift from Capital to O&M for the Electric Utility is anticipated to increase O&M by \$3,900,000 and therefore lower the budget capital spending. The driver for the decrease includes a shift of capital overhead and labor costs to O&M due to deferred work due to labor shortages and supply chain delays.

	<u>Electric</u>
Approved Capital Budget	\$51,300,000
<i><u>Operational Changes:</u></i>	
Shift of Labor and Overhead from Capital to O&M	<u>(\$3,900,000)</u>
Total Projected Capital Budget Amendment	(\$3,900,000)
Total Amended Capital Budget	\$47,400,000

**Requested Board Action**

Management recommends and requests that the Board approve Resolution No. 2121 to increase the Electric O&M budget by \$29.0 million, reduce Electric Capital budget by \$3.9 million

**RESOLUTION NO. 2121  
DECEMBER 2021**

**EUGENE WATER & ELECTRIC BOARD  
2021 BUDGET AMENDMENT**

**WHEREAS** the Eugene Water & Electric Board (EWEB) is the body designated by the City of Eugene Charter and Code to administer the Eugene Electric and Water Utilities;

**WHEREAS** Oregon Revised Statute 225.230 requires municipal utilities to make an annual written estimate of probable expenses to establish spending authority;

**WHEREAS** the Eugene Water & Electric Board anticipates expenditures in excess of that authority;

**NOW, THEREFORE, BE IT RESOLVED** that the Board hereby approves an increase to the Electric Utility Operations & Maintenance budget of \$29.0 million and a decrease in the Electric Utility Capital Budget of \$3.9 million.

Dated this 7<sup>th</sup> day of December 2021.

THE CITY OF EUGENE, OREGON  
Acting by and through the  
Eugene Water & Electric Board

\_\_\_\_\_  
President

I, ANNE M. KAH, the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its December 7, 2021 Regular Board meeting.

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Assistant Secretary