

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
VIRTUAL MEETING
December 7, 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; Jason Heuser, Policy/Government Affairs Program Manager; Rodney Price, Assistant General Manager; Adam Rue, Fiscal Services Supervisor

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

Commissioner Carlson asked for a follow-up about Commissioner's names appearing on the screen when they are speaking.

Mr. Lawson said that information was in the General Manager's report that went out earlier that day.

Vice President Brown announced the Other Post-Employment Benefits (OPEB) Board met earlier in the quarter, and he said the fund was in great financial shape, and seeing good returns. He also reported he had spoken with an EWEB ratepayer who had a tree from an EWEB property fall onto her property, causing damage; he said that he did not know that, in such a case, EWEB was not liable for damages on another's property. Lastly, Vice President Brown mentioned that he had not yet decided if he would run again for EWEB Commissioner.

President Schlossberg expressed appreciation for the facility and site tours offered to the Board by EWEB staff, mentioning the recent tour of the possible second water source site.

Mr. Lawson thanked the volunteers who helped with this year's Run to Stay Warm.

Public Input (via Telephone)

Tom Carmichael of Eugene spoke about the proposed second water source on the Willamette River. He expressed concern over pulling water from the Willamette because of high levels of pollutants and agricultural runoff in that river. Mr. Carmichael said he did not understand Eugene ratepayers paying a monthly fee to restore luxury properties, especially since those ratepayers had no input on the matter whatsoever. He said he felt EWEB had lost touch with its ratepayers, and asked that the utility be more proactive in reaching out to their customers.

Mark Robinowitz of Eugene said it would be very helpful if EWEB advocated for a ban on aerial spraying over the watersheds in its service territories. He also urged the utility to ban clear-cut logging in order to further protect those watersheds. Mr. Robinowitz felt there should be maps readily available to the public that showed the dangers to those downhill of EWEB's reservoirs in the case of a natural disaster. Finally, he asked the Board to educate the public on the fact that most of the electricity generation of the last decade has come from natural gas, and to tell them about the Western Electricity Coordinating Council (WECC) grid.

Sandra Bishop of Eugene urged EWEB Commissioners to look beyond just the policy level of their decisions, and to visit the E. 40th & Hilyard water storage project site to see the impacts of the project firsthand. Finally, she said that EWEB did not have the authority to build two reservoirs at this site at this time, and should instead—according to policy—be dialing this project back, not expanding it.

Commissioner Carlson agreed with Mr. Carmichael about the utility doing more thorough surveying of the ratepayer side of projects, and sharing that information readily. She said that she had been on the 40th & Hilyard site during blasting, and she is aware of what neighbors to the site are tolerating, and she said her heart went out to them, and she thanked them for their patience.

Commissioner McRae said that he would like to see what efforts the utility had made as far as public outreach concerning the second water source project.

Approval of Consent Calendar – A, Minutes and Routine Contracts

MINUTES

1. a. October 19, 2021 Work Session

b. November 2, 2021 Regular Session

CONTRACTS

2. The Saunders Company - additional funds for the Phase II Riverfront 42" Water Main Replacement Contract. \$775,000 (Original contract amount \$2,200,000. Resulting cumulative total \$3,515,000) based on Formal Invitation to Bid.

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

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

CONTRACTS

3. Altec Industries - for three Insulated Over-Centered Aerial Man-Lifts Trucks. \$1,200,000.00 based on a Cooperative Contract.

4. Elevate Technology Group - for Private Broadband Connectivity. \$240,000 over 5 years based on Direct Negotiation.

5. University of Oregon - additional funds for enhancing carbon sequestration and fire resilience in water and energy production systems research. \$200,000 (Original contract amount \$140,000. Resulting cumulative total \$340,000) based on Direct Negotiation.

RESOLUTIONS

6. Resolution No. 2121 - Electric Budget Amendment.

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

2022 Proposed Budgets and Prices – Update

Ms. Hart and Mr. Rue offered the Board an update and PowerPoint presentation on 2022 proposed budgets and prices.

2022 Proposed Budgets and Prices – Public Hearing

President Schlossberg opened the public hearing at 6:00 p.m.

Sandra Bishop of Eugene implored EWEB to simplify the language in its budget, so their rate payers can understand it. She said she was shocked when the price for one of the 40th & Hilyard contractors jumped from \$40,000 to \$1.23 million, and it passed in the November Consent Calendar with no questions asked by any of the EWEB Commissioners.

President Schlossberg closed the public hearing at 6:05 p.m.

2022 Proposed Budgets and Prices – Action

Commissioner McRae said he always paid close attention to contract price increases, and said EWEB staff did a great job of documenting them. He reminded those attending there were publicly published exchanges between EWEB Commissioners and staff in advance of Board meetings, to give Board members a chance to ask specific questions.

Mr. Lawson pointed out the Q & A between Board members and staff had not been published previously, and that protocol had changed in the last several years. He said the links to the Q & A sessions were on the EWEB website under their respective agenda items.

Commissioner Carlson said she appreciated staff creating a template to put that information on the public Board meeting document. She said that she was very involved at all levels of her position as an EWEB Commissioner—not solely the policy level, and that she was always happy to talk with ratepayers directly.

Commissioner Barofsky asked if there was a statutory timeframe in which the Board would need to vote on the budget.

Mr. Lawson said yes, it was the end of the calendar year.

Commissioner Barofsky said he was in support of the budget as presented, but he said the 3.7% rate increase was not something he took lightly.

Vice President Brown cautioned his colleagues to not forget the utility would still have to make decisions concerning the Leaburg facility in the near future.

President Schlossberg, and all Commissioners, thanked staff for their hard work on the budget. She asked staff to keep the Board apprised, if they could, of the utility's assistance programs as the new year began.

Mr. Lawson said information about the Customer Care Program would be included in the quarterly metrics staff will provide the Board.

Ms. Hart clarified there was \$20 million set aside in the budget for Leaburg, although that money would not cover decommissioning, but rather would deal with more immediate needs at that site.

Commissioner Carlson moved to approve Resolution No. 2118 - 2022 Budgets. The motion passed unanimously 5:0

Commissioner Carlson moved to approve Resolution No. 2119 - Electric Prices. The motion passed unanimously 5:0

Commissioner Carlson moved to approve Resolution No. 2120 – Water Prices. The motion passed unanimously 5:0

Resolution No. 2117 - 2022 State Legislative Agenda

Mr. Heuser offered the Board a report on Resolution No. 2117 - 2022 State Legislative Agenda.

Commissioner McRae asked if Mr. Heuser could send the Board an executive summary of the Infrastructure Investment and Jobs Act (IIJA).

Mr. Heuser said yes, that there was an executive summary put together by the Northwest Public Power Association (NWPPA), he felt was solid, and he would share it with the Board.

Commissioner McRae asked if EWEB was planning on hiring additional staff to apply for and manage funds such as the IIJA.

Ms. Hart said the utility had hired a grant specialist that started about a month ago.

Commissioner Barofsky asked if EWEB had approached any local governments regarding the American Rescue Plan Act (ARPA).

Mr. Heuser said EWEB had talked with the City of Eugene recently about ARPA, and he was certain EWEB staff would get together with Eugene again to update them on the EWEB projects that are ARPA-compliant.

Vice President Brown pointed out the City of Eugene stood to make considerable revenue off the rate increase passed tonight, and he wondered if the utility could have conversations with the City concerning them reinvesting some of those monies into achieving their climate recovery goals.

President Schlossberg echoed Vice President Brown's sentiment; she offered—with the rise in rates—there was an opportunity for Eugene to tackle some of the projects which were put on hold due to budgetary restraints.

Commissioner Carlson moved to approve Resolution No. 2117 - 2022 State Legislative Agenda. The motion passed unanimously 5:0

Break

President Schlossberg called for a break at 6:47 p.m. The meeting reconvened at 6:54 p.m.

Board Policy: SD15 Climate Change Policy

Mr. Lawson offered the Board a report and PowerPoint presentation on Board Policy: SD15 Climate Change Policy.

Commissioner Carlson wondered why staff chose 2009 levels as a baseline from which to measure reductions in the operations category.

Mr. Lawson said they chose the 2009 baseline because the data from that timeframe was readily available.

Commissioner Carlson said it was important that targets for reduction levels were coordinated at the local level as much as possible.

Commissioner Barofsky thought the utility should add construction to the categories of major contributors of greenhouse gas emissions listed in the policy—as the use of concrete is a major emitter of CO₂. He added that he would like the Resolution, approving Board Policy SD15, to be scheduled as a standalone item on the meeting agenda, and not a consent calendar item. Furthermore, he suggested that major policy renovations, such as this, be reviewed one year later to ensure the policy is working as intended and determine whether any additions or changes are needed.

Mr. Lawson asked if the one-year review could be part of the annual Board policy review.

Commissioner Barofsky said it would be appropriate as part of the annual Board policy review, but it deserved extra emphasis.

Commissioner McRae expressed support for a separate equity policy, and he wondered if staff would draw something up, or if that was something for the Board to draft. He added the target of 95% carbon-free electricity by 2030 seemed very reasonable.

Vice President Brown asked where nuclear power might fit into this conversation about renewable versus carbon-free electricity, as nuclear is part of Bonneville Power's portfolio.

Mr. Lawson said nuclear power was generally considered carbon-free, but not renewable. He said there were new developments involving modular nuclear reactors which would be ready for integration around 2030.

Commissioner Carlson said she agreed it would be valuable to call out construction as a separate category for major projects, although perhaps it belonged under operations. She would like time to think about this more, particularly defining the types of use and to what level the Utility should track.

Vice President Brown urged his colleagues to keep in mind some of EWEB's most important and essential infrastructure—such as the second source facility, and the water treatment facility—would be hard to build and maintain without the use of concrete.

Mr. Lawson thanked the Board for their direction, and said staff would come back with an action item on the January agenda for Board Policy SD15.

2022 Organizational Goal Development

Mr. Lawson and Mr. Price offered the Board a report and PowerPoint presentation on 2022 Organizational Goal Development.

President Schlossberg asked if the filling of key positions which the utility had some trouble filling in the past would rise to the level of an organizational goal in the upcoming year.

Mr. Lawson said perhaps staff could broaden the definition of the dynamic workforce goal that would include the organic development of the hard-to-fill positions.

Commissioner Barofsky stated he would like to see a metric of how many unfilled positions the utility had per quarter, and what they were doing to recruit and retain those positions. He also posited it might be a good idea to go back through the Resolutions, Board policies, etc., to make sure the utility was not beholden to anything that it did not make sense for them to be presently.

Mr. Lawson said that was a good idea, and he and staff would work to make that happen.

Commissioner Carlson asked if EWEB's reservoir work, such as the E. 40th and Hilyard project, and the decommissioning of College Hill fell under water assets.

Mr. Lawson said yes.

Vice President Brown asked if it was still a goal of EWEB's to weatherize and make more energy efficient rentals within the service area. He also wondered if affordability was one of EWEB's organizational goals.

Mr. Lawson said that while rental properties were not called out specifically in the organizational goals, the board could ask staff to focus on that specifically. On the affordability question, he said it was not so much an end goal, but rather an integral part of the utility's ongoing values. Mr. Lawson furthered that affordability was more a part of EWEB's strategic plan, and the utility maintains its affordability using tools like the affordability index, which is relative to local median income.

Mr. Price offered another way EWEB maintains its affordability goals, was through sticking to its budgets.

Commissioner Carlson asked where wildfire planning would fall in the goals.

Mr. Price said there was roughly \$1 million earmarked in the capital budget, as well as a number of various programs specifically for wildfire planning in both O&M and capital. He added that more information will be provided in the final Wildfire Mitigation Plan.

Correspondence & Board Agendas

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

Commissioner Barofsky asked if by selling or leasing the headquarters building, would the utility's internal greenhouse gas emissions would drop off.

Mr. Lawson responded that when EWEB sold or leased the headquarters building, EWEB would adjust its internal greenhouse gas emission metrics to compensate.

Vice President Brown wished to go on record asking EWEB to press other local energy and telecommunications providers to trim trees around their infrastructure to prevent outages during winter and summer weather events. Finally, Vice President Brown asked if Mr. Lawson and staff could research whether it would be appropriate for him to assist EWEB in the selling of the headquarters property, since others in his company had active contracts with the utility.

Mr. Lawson said staff had already been looking into that, and he would touch base about it in the near future.

Commissioner Carlson asked for clarification surrounding the content of the EWEB liaisons' meetings with City of Eugene leadership.

President Schlossberg offered the meetings with Eugene were originally climate issue-specific, but had become more of an ad-hoc leadership meeting.

Mr. Lawson asked the Board if they would rather the City of Eugene liaison positions be climate-specific, or more set up for leadership conversations.

Commissioner Barofsky said he would prefer the leadership option.

Commissioner McRae said he was leaning toward the leadership option.

Vice President Brown said he too would prefer the leadership option for the meetings with the City of Eugene.

President Schlossberg also chose leadership.

Mr. Lawson said that information was very helpful, and it would be enough to restructure the liaison position for the January meeting.

Board Wrap-Up

Vice President Brown thanked President Schlossberg for her leadership role, and he said she had commanded the position in an exemplary fashion.

Commissioner Barofsky echoed Vice President Brown's sentiment, adding it had been a pleasure to work with President Schlossberg. He also thanked staff for enlightening the Board as to the operations of the utility.

Commissioner Carlson thanked President Schlossberg, her fellow Commissioners, and staff for a very exciting and informative year.

President Schlossberg adjourned the Regular Session at 8:54 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 $\frac{3}{4}$ " **Minus Gravel** with **Riverbend Materials**.

Board Meeting Date:	1/4/2022	
Project Name/Contract #:	$\frac{3}{4}$ " Minus Gravel	Contract 19-145-GS
Primary Contact:	Karen Kelley	Ext. 7153

Contract Amount:

Original Contract Amount:	\$250,000
Term of Agreement:	5 years
Additional \$ Previously Approved:	\$0
Amount this Request:	\$330,000
Percentage over last approval:	132%
Resulting Cumulative Total:	\$580,000

Contracting Method:

Method of Solicitation:	Formal Invitation to Bid
If applicable, basis for exemption:	NA
Option to Renew?	Option to renew for up to 5 years
Approval for purchases " <i>as needed</i> "	
for the life of the Contract	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Proposals/Bids Received (Range):	3 - (\$48,930 - \$74,027 based on expected annual usage)
Selection Basis:	Lowest responsive and responsible bid
Narrative:	

Operational Requirement and Alignment with Strategic Plan

EWEB requires $\frac{3}{4}$ " minus to replace spoils (removed soils) while excavating during water and electric underground infrastructure work. The purpose of the $\frac{3}{4}$ " minus is to ensure that the excavation backfill meets City, County and State compaction specifications. Gravel is also used to maintain various roadways and parking areas. The increase is based on actual usage, increased maintenance, infrastructure work and the increase of costs seen throughout the industry.

Contracted Goods or Services

Pick up or delivery of $\frac{3}{4}$ " minus gravel, purchased by the ton or cubic yard.

Purchasing Process

A formal Invitation to Bid was posted to ORPIN in December 2019. The solicitation was posted for 15 days and was viewed by 15 companies. Three responses were received, the responses were reviewed, and Riverbend Materials was determined to be the lowest responsive and responsible bidder.

Bidder Information

Vendor Name	City, State	Offered Price
Delta Sand and Gravel Co	Eugene, OR	\$74,027
Riverbend Materials	Eugene, OR	\$48,930
Wildish	Eugene, OR	\$72,800

ACTION REQUESTED:

Management requests the Board approve an increase to the Contract with Riverbend Materials for ¾" minus gravel. As noted above, the increase is based on actual usage, increased maintenance, infrastructure work and the increase of costs seen throughout the industry. Use of these goods is incorporated as an incidental item in the Water Division's 2022 Capital Improvement budget of \$29 million. Variances will be managed within the budget process and Board policy.