

**EUGENE WATER & ELECTRIC BOARD
UPRIVER PRESENTATIONS**

April 19, 2022

6:00 P.M.

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

Others Present: Frank Lawson, General Manager; Mark Duvall, Customer Service Team Lead; Lisa Krentz, Generation Manager; Karl Morgenstern, Watershed Restoration Program Manager; Julie McGaughey, Chief Customer Officer; Tyler Nice, Electric Operations Manager; Jeannine Parisi, Strategic Program Manager; Nancy Toth, Environmental Specialist; Mark Zinniker Generation Engineering Supervisor

President Brown called the Upriver Session to order at 6:00 p.m.

Welcome and Meeting Overview

President Brown welcomed those in attendance, and thanked them for being there. He laid out the meeting's format: there would be five five-minute presentations, during which information about EWEB projects pertinent to the upriver community would be shared. After the presentations, the members of the upriver community would have a chance to ask the EWEB Board and EWEB staff questions.

A booklet containing information about presentation topics can be found at:

<https://www.eweb.org/documents/board-meetings/2022/04-19-22/upriver-booklet-v2.pdf>

Watershed Recovery Status and Investments

Mr. Morgenstern offered those present a presentation on watershed recovery and upriver investments.

EWEB and Pure Water Partners Programs for McKenzie Valley Customers

Ms. Toth offered those present a presentation on the Pure Water Partners programs for McKenzie Valley customers.

Wildfire Mitigation

Mr. Nice and Ms. Parisi offered those present a presentation on EWEB's Wildfire Mitigation Plan.

Leaburg Canal Updates

Ms. Krentz and Mr. Zinniker offered those present a presentation of the updates on the Leaburg Canal.

Billing Estimations

Ms. McGaughey and Mr. Duvall offered those present a presentation on billing estimations and their impacts on the upriver community.

Listening and General Question & Answer Session

An audience member asked how EWEB Board decisions about Leaburg Lake would affect the McKenzie and Leaburg fish hatcheries.

Mr. Zinniker said EWEB had been in close communication with the McKenzie and Leaburg fish hatcheries, and that they had their own processes underway for looking for alternative water sources. EWEB will document and communicate these impacts in the social and environmental effects.

An audience member asked if leakage was the only reason for taking the Leaburg canal out of service.

Mr. Zinniker said that while they were exploring repair alternatives to the canal's seepage, they found that a portion of the canal contained very low-strength soils that were especially vulnerable in seismic events.

The audience member asked what EWEB considered to be a "portion" of the canal in linear measurement.

Mr. Zinniker said the portion of the canal where the initial problem was identified, was roughly 1,000 feet long.

An audience member asked if EWEB was buying properties adjacent to the canal.

Ms. Krentz said that EWEB had bought a property along the canal a few years ago – which is the only home that has been removed. She said that EWEB recently had entered into purchase agreements with two more properties. She added that EWEB is still in the process of determining the work that needs to be done and the exact location, therefore EWEB had no plans to proactively purchase any additional properties at this time and is just monitoring to see if properties are coincidentally listed for sale – which was the case with the two recent properties.

An audience member expressed concern about properties along the canal being brokered for EWEB and local residents by real estate brokers from Portland.

Ms. Krentz said she could not speak to why anyone chose a particular broker, although the broker they are working with, while from Portland, has connections to Lane County. Ultimately, Ms. Krentz offered, they were waiting for a Board decision that would come at the end of this year, then EWEB staff would have a better idea of what the exact plans for the Leaburg canal are.

An audience member asked for more details about the local residents adjacent to the canal who have water rights.

Mr. Zinniker said that out of the 20 or so local residents who are drawing water from the canal, there was only a small number of them who had agreements with EWEB that

were not subject to interruption. He explained that EWEB has been working with a subset of the water right holders to come up with alternative solutions, and is also working with people who have certificates without an obligation from EWEB to try to help them explore alternatives. Water right considerations are being identified and documented for the Board's triple bottom line analysis.

An audience member asked if EWEB had a plan for upkeep and vegetation management for its properties adjacent to the canal.

Ms. Krentz said EWEB would be developing property management plans for the parcels they have purchased and will purchase, although, she added, it was not the utility's intent to have either the structures or the properties themselves fall into disrepair.

An audience member asked if removing the dam would have implications such as the creation of new flood plains.

Mr. Zinniker assured her there would be no measurable changes with or without the dam; he explained the Leaburg complex was run of the river or pass-through, meaning the volume of water that flows into Leaburg Lake is immediately released downstream – either to the river or the canal, and there is not a storage capacity. Debris that currently passes through the roll gates would continue unobstructed if the dam itself were not there.

An audience member asked what would happen to the properties upstream of the dam should the dam be removed.

Mr. Zinniker said the property lines, which are the edge of the river currently, would move toward the other side of the river channel, adjacent to Highway 126.

The audience member wanted to know if EWEB owned the property around the Leaburg facility, and if so, he wondered if they had any specific plans for the property.

Mr. Zinniker said the portion of lakeshore adjacent to the park was EWEB property, but the majority of lakeshore property was privately owned.

The audience member asked if any of their tax lots were going to change.

Ms. Krentz said as far as she knew the property line moved according to the high-water line, and when that line changes—as it would in the event of taking the dam offline—so does the property designation, but she was not certain.

The audience member asked if someone from EWEB could follow up with him.

President Brown said of course, and reminded the audience member to leave his contact information with EWEB staff.

An audience member asked if the only options for the Leaburg facility currently being discussed were full return to service or complete removal of the dam and draining of the canal.

Mr. Zinniker made clear that EWEB had two return-to-service options. He went on to describe several of the four alternatives saying that in one case, the canal would remain and be operated as it has in the past. Another option would restore the site to pre-project conditions whereas the dam would essentially be gone. In another option, the canal would be used as a stormwater conveyance system; creeks would continue to flow through the canal and back to the river in some locations.

An audience member wondered if the left-hand spillway would be brought back to 2,500 cfs if the canal was brought back to full operation, adding that anything under 2,500 cfs would be generating less power.

Mr. Zinniker agreed that less power would be generated, but said it was in the utility's best interest to make full use of their water right.

An audience member wondered if the Walterville pond would be included in EWEB's reconstruction efforts.

Mr. Zinniker said the Walterville pond was decommissioned about a decade ago, and although it was originally used for pump storage, it had not been used in that capacity for some time.

An audience member thanked the Pure Water Partners. He said he had asked EWEB about undergrounding utilities three separate times with no response from the utility in over a year. Finally, the audience member asked if there was an EWEB Commissioner designated for the upriver area.

President Brown said they did not, but Commissioner Schlossberg held the at-large position.

Richard Tracy said that, to his knowledge, he held a water right from the Johnson Creek drainage, although EWEB had challenged him about it in the past. He said that for four years now, he had not had access to the water stipulated in the right.

President Brown said EWEB was working as hard as possible, and spending as much money as possible on this issue, but unfortunately, they were at the mercy of the federal government.

Ms. Krentz urged those present to take the survey currently being distributed, so EWEB can hear how community members are personally impacted and include that information in the triple bottom line analysis.

An audience member suggested any work EWEB did on the canal should allow for continued use of the canal bank as a foot- and bike-path.

An audience member said he could not understand why EWEB was even considering taking the Leaburg dam out.

President Brown clarified the dam diverts water, and if there was no need to divert the water, the cost of keeping and maintaining an already-old dam had to be taken into consideration by the utility.

Nadine Scott, the President of the McKenzie Chamber of Commerce, said the area's economy relied heavily on tourism at Leaburg Lake, and the proposed work would be devastating in that regard. She also pointed out Leaburg Lake was the only area accessible to those with disabilities.

An audience member said that since EWEB ratepayers pay 100% of the estimated project costs for upriver projects, they should be able to vote on those projects.

President Brown said EWEB had 2,300 customers in the upriver community, and over 88,000 customers in all, so everyone—even those in Eugene—would have to vote on it.

An audience member asked how much the Leaburg project would cost ratepayers monthly.

Mr. Zinniker said they did not have an answer to that question yet, but would share it with the upriver community as soon as they had it.

An audience member asked if Leaburg Lake belonged to another agency—like a State agency, would it be able to be saved.

President Brown said that was a good suggestion.

An audience member suggested future upriver meetings at which a representative or representatives of the Federal Energy Regulatory Commission (FERC) was in attendance, to take some of the pressure off of EWEB and its Board.

Vice President Carlson thanked those upriver community members who had spoken, and assured those present that EWEB and the Board were committed to the upriver community, and showed no favoritism to any other region in the utility's service area.

An audience member wondered if any of the scenarios will involve using water to generate electricity.

Mr. Zinniker said yes.

The audience member asked if any future Leaburg projects would involve generating clean energy.

Mr. Zinniker said yes.

An audience member asked what projects were in store for the Carmen Smith site.

Mr. Zinniker said EWEB was in its fifth year of work at the Carmen Smith site, and the utility was still working on rehabilitation of the turbine generator.

Ms. Krentz also mentioned that EWEB had several fish, wildlife, and recreation projects underway at the Carmen Smith site.

Will Rutherford asked if it would be possible to include on his monthly bill if the bill was an estimated bill.

Mr. Duvall said located on the top left corner of the EWEB bill, there was a message letting the ratepayer know if it was an estimated bill or not.

An audience member asked if EWEB would be receiving any federal infrastructure money.

Mr. Lawson said that staff are looking into Federal and State opportunities, and EWEB recently hired a grant writer to help with infrastructure projects. He added that EWEB has leveraged several million dollars so far.

An audience member asked what if anything was going to replace hydroelectric power in the region.

Mr. Lawson explained that we are part of a large grid and there are pressures and challenges for the various types of resources that have typically operated in the West. In the northwest we are fortunate to have access to a lot of carbon-free hydroelectric power, however it is also under attack because of fish and wildlife and operational constraints. He said this topic is a big concern for him personally; as the timing of hydro generation is controlled by people, unlike wind and solar which is controlled by mother nature, resulting in the need to overbuild the latter for reliability. These factors go into EWEB's decisions around the Leaburg project and the Utility's Integrated Resource Plan.

An audience member asked if a new power plant was built at Leaburg, would it be more energy efficient than the previous plant.

Mr. Zinniker replied that not only would it be more efficient, but it would be built to current seismic regulations as well.

An audience member asked why EWEB conveyed water from the canal four miles downstream.

Mr. Zinniker said after the water was diverted at the dam, as it flows downstream, it gains elevation while the river itself falls away. He said that diverted water eventually falls 80 feet, and it is in that drop that electricity is generated.

An audience member asked, out of the four options EWEB has for the Leaburg complex, was there only one which generated revenue.

Mr. Zinniker said that two of the options—the partial, and the full return to service—would generate revenue

An audience member surveyed her neighbors in the room, asking if anyone would complain if, in the event of a wind/fire event, EWEB preemptively shut off the power to the area, before the area was actually on fire. Her fellows seemed in support of the idea.

An audience member asked if, in the return to service alternatives, the entire dam would be rebuilt.

Mr. Zinniker said no. He said EWEB would continue maintenance on the existing dam, and other than a few specific seismic reinforcement upgrades, the dam was in great shape already.

President Brown adjourned the Upriver Presentations Session at 8:19 p.m.

Recorded by Rodney Cimburke

Assistant Secretary

President

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
May 3, 2022
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/2022board-agendas-and-minutes>.

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

Others Present: Frank Lawson, General Manager; Jonathan Hart, Power Trader; Deborah Hart, Chief Financial Officer; TiaMarie Harwood, Finance Manager; Aaron Balmer, General Accounting & Treasury Supervisor; Rod Price, Assistant General Manager; Matthew Schroettnig, Power Planning Supervisor

President Brown 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

Mr. Lawson introduced a new employee, Kelly Hoell, who was the new EWEB Climate Policy Analyst and Advisor. He also announced EWEB recently won two awards from the American Water Works Association: one for the Communications Team and EWEB's response to the Holiday Farm fire, and a second for EWEB's general support and leadership.

Vice President Carlson said she recently attended a Lane Council of Governments (LCOG) meeting, at which the challenges around a low-income program were discussed. She also reported attending a recent climate town hall with 350.org, and said she was glad to have seen members of EWEB staff in attendance.

Commissioner Barofsky said he had recently virtually attended the McKenzie Watershed Council meeting, adding the Watershed Council would be doing a tour of Deer Creek restoration this Thursday, May 5. He said he was planning on attending, and welcomed other EWEB Commissioners to do so.

Commissioner Schlossberg reported she had also attended the recent 350.org climate town hall, and that it was a very informative event.

President Brown said if any other Board members had an interest in taking a closer look at the Other Post-Employment Benefits (OPEB) portfolio, as the Board Liaison he would request that information.

City of Eugene Liaison Update

Mr. Lawson summarized a meeting he had attended with the Mayor of Eugene, the Eugene City Council President, the Eugene City Manager, and President Brown and Vice President Carlson.

Vice President Carlson said she did inquire about the opportunity to dedicate a portion of Eugene's Compensation in Lieu of Taxes (CILT) funds to a shared responsibility with EWEB surrounding climate change. She reported the response from the City was that they did not see the CILT funding as a windfall, because they forecasted operations on a five-year basis, and had already built this funding into their budget forecasting.

President Brown expressed frustration at the lack of any solid plan for the City and EWEB to move forward together, adding that it had taken months to set up the meeting.

Mr. Lawson said EWEB is mentioned frequently in Eugene's Climate Action Plan (CAP) 2.0, so staff is planning to analyze the CAP to see exactly what expectations or assumptions the City might have moving forward, and the results that EWEB has already achieved.

Commissioner Barofsky said EWEB should continue leaning into issues it deems of particular importance with the City.

Vice President Carlson said the Mayor said she was a member of a working group that is looking at State building codes, and there may be opportunities for collaboration there.

Commissioner Schlossberg encouraged the utility to look for all collaborative opportunities with the City, not just ones of great magnitude.

Public Input

Tom Peck of Eugene, thanked the utility for keeping Eugene homes and businesses electrified, also thanking EWEB for raising the net metering rate for solar energy production to 6.79 cents per kilowatt. He also thanked EWEB for considering expansion of local renewable and solar energy infrastructure.

Sandra Bishop of Eugene, wondered if the EWEB Board of Commissioners had received a recent update on the E. 40th and Hilyard water storage site, and she cited three questions regarding that project that she hoped would be included in the next update the Board received from staff:

1. What is the financial status of the project currently?
2. How much of the water rate increase will go directly to pay for the project?
3. What is the status of replacing the reservoirs at the College Hill site?

Will Rutherford of Vida, thanked EWEB for the recent Upriver Presentations meeting; he said the utility seemed well prepared, and the event went very smoothly. He said there was a need for further dialogue, and he and Commissioner Schlossberg were planning to hold less formal, roundtable-type discussions with members of the upriver community in the near future.

David Hilton of Eugene made a formal request for EWEB to postpone the Request for Proposals (RFP) for the EWEB headquarters building for one year. He said the property was too important an asset to be developed by a private developer, and it needed to remain in the control of the community. He suggested the property and buildings be used for a regional cultural activity center, adding that Eugene was one of the largest cities in the country without a museum or major cultural center.

Kimberly and Gary Parker submitted written testimony by email: They said their home and property line runs along Montgomery Creek and shares an area along the edge of the canal where the home sits. The property appears to be directly in line with the site of a proposed powerhouse, and they are very concerned about this option 3 proposal - Luffman Spillway Powerstation - and the negative impact that would have on properties that abut the canal. Lastly, they requested more information regarding the proposal.

Vice President Carlson said there was information in the current board meeting packet regarding the E. 40th project. She encouraged the public to review information found on EWEB's website for more information. In response to Mr. Rutherford's testimony, she explained that EWEB is still analyzing the costs for Leaburg alternatives, and that more information will be shared once it is available.

Commissioner Barofsky commented on Mr. Hilton's testimony and acknowledged the weighty decisions that lie ahead for the Board regarding the headquarters property. He also recognized the carrying cost to EWEB rate payers, and will take that into consideration as well.

President Brown reminded other Commissioners that if there was going to be an effort to delay the EWEB headquarters RFP, protocol requires a motion from the Board.

General Manager Lawson stated that the E. 40th project is on track to be completed in 2023 and capital project updates would be shared later during the meeting as part of the Q1 Report.

Approval of Consent Calendar – A, Minutes and Routine Contracts

MINUTES

- 1. a. March 31, 2022 Executive Session #1**
- b. March 31, 2022 Executive Session #2**
- c. April 5, 2022 Executive Session #1**

- d. April 5, 2022 Executive Session #2
- e. April 5, 2022 Regular Session

CONTRACTS

2. Hamer Environmental – for Northern Spotted Owl Biological Analyses and Reviews. \$215,000 (over five years) based on Formal Request for Proposals.

3. Sure Power Consulting, LLC, Make It Happen, LLC, and Milestone Utility Services – for additional funds for as-needed Project Management and Business Analyst Services to supplement internal resources and mitigate staff vacancies; additional work needed includes EWEB Enterprise Solutions (EES), formerly referred to as ERP system, and transition to new AMI systems. Amount this Request: \$3,500,000; Resulting Cumulative Total \$4,500,000 (between three contracts over five years) based on a Formal Request For Proposals.

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

CONTRACTS

4. Armorcast Products Company – for Voltek Vault Replacement Systems. \$605,000 (over five years) based on Direct Negotiation.

5. Fire Protection Specialists, LLC – for Fire Detection Systems. \$200,000 based on a Formal Invitation to Bid.

6. Larson Electronics – to authorize the General Manager to approve a contract after completion of contract negotiations – for the purchase of Single Phase Padmounted Transformers. \$3,500,000 based on Direct Negotiation.

7. Schnabel Engineering, LLC – for Safety Inspection Services for the Leaburg-Waltermville Hydroelectric Project. \$200,000 based on a Formal Request for Proposals.

8. Authorize the General Manager to approve a contract – for Switchgear Equipment. Not to Exceed \$550,000 based on a Formal Invitation to Bid.

RESOLUTIONS

9. Resolution No. 2212 - Annual Price Adjustment for Joint Use Fees and Charges.

OTHER

10. Amendment to Request for Proposals (RFP) for EWEB’s HQ Riverfront Property.

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

Upriver Meeting Follow-Up Discussion

Vice President Carlson said she thought the meeting was a success, and she wondered if, in the future, they could do a more townhall-type meeting in Eugene also.

Commissioner Barofsky offered he felt like the overall tone of the meeting was friendly, due to the work EWEB and their partners had done in that community since the Holiday Farm fire. He added the plan for Leaburg that involved returning the facility to nature, so to speak, unnecessarily brought the most concern from the upriver community, as in his view that scenario would be at the extreme end of the spectrum.

Commissioner Schlossberg suggested having more informal reach-out and townhall-style meetings upriver, to relieve any tensions that may exist between EWEB and its commissioners, and the upriver people.

Commissioner McRae suggested scheduling another upriver meeting once the financial analysis of the various Leaburg options is complete.

Mr. Lawson thanked EWEB staff for their preparation for the upriver meeting. He announced there were Work Sessions scheduled for June 16 and August 2, at which the financials for the Leaburg project(s) will be discussed. Finally, Mr. Lawson said the fifth Commissioner position—the at-large position—was originally created to represent those outside of Eugene city limits, so there was indeed Board representation for the upriver community.

President Brown suggested the existing June meeting, which contains the Leaburg topic on the agenda, be held upriver.

Vice President Carlson said if the June 16 meeting were held upriver, she would not be able to attend.

President Schlossberg suggested perhaps a group virtual meeting with the upriver community might be possible.

Vice President Carlson pointed out that if the June meeting was a Work Session, that type of meeting has no agenda item allowing public input; she said Work Sessions were more for Board (and staff) discussion.

President Brown reminded everyone the August 2 Work Session agenda was already very dense.

Commissioner Barofsky suggested publicizing the topics for discussion of the Work Sessions, and how the upriver community members could tune into it. He suggested taking advantage of EWEB's upriver contacts and partners to spread the word in the community.

Commissioner McRae said meeting with the upriver community does not necessarily have to be coupled with an existing EWEB meeting, and perhaps some townhall-type meetings could be scheduled separately.

Mr. Lawson said there were plans in place to have informal meetings upriver with Commissioner Schlossberg and supporting staff. He also assured the Board EWEB would advertise the topics at these upcoming meetings in advance to the upriver community.

Reserve Fund Status and Transfers/Use of Reserves

Ms. Hart, Ms. Harwood, and Mr. Balmer offered the Board a report and PowerPoint presentation on the status of reserve funds, and transfers/use of reserves.

Commissioner Barofsky asked if the types of surpluses pointed to in the presentation were normal, or if they were out of the ordinary.

Ms. Hart said the utility had really strong back-to-back years, and that's why the surpluses are so large.

Commissioner Barofsky asked why the rate stabilization fund went from the target of \$5 million, to \$26.6 million in the "balance after" column.

Ms. Hart said the original seed money had been cash-on-hand intended for use at the Carmen Smith project. The Board had asked staff to defray future borrowing costs with that money, and EWEB had intended to do that this year with the nine-million-dollar draw, but because of supply chain issues they do not need the money for that site at this time, therefore that money will now be modeled for a future use.

Mr. Lawson added EWEB redid its bond covenants a few years ago, and the utility was able to transfer money into the rate stabilization fund without a sacrifice to debt service coverage.

Commissioner Barofsky asked if staff was planning to refinance debt now, while interest rates were relatively low.

Ms. Hart clarified the greatest part of EWEB's debt was refunded a couple of years ago; she assured the Board that EWEB has examined and there is not a savings at this juncture. She said the Board could expect reductions on what the utility would have needed to borrow for some of the large projects, and management will look for strategic timing of those uses to smooth the rate trajectory.

Referring to the Leaburg project, President Brown said there was a gap between the \$80 million EWEB was currently servicing debt on, and the lack of revenue generated by what the debt is for, and he wondered how that gap figured into the utility's overall budget. He inquired about the \$9-10 million originally set aside for electric that will not be used this year.

Mr. Hart said that EWEB considers what its future borrowing costs will be, and there have been times when the Board has used a large sum of money to refund debt because that produced the best overall benefit. She went on to say that EWEB could use the \$9-10 million to pay off existing debt, but that would most likely result in paying more to borrow on one of EWEB's large projects in the future. She added they would have more information for the Board on this in July.

Commissioner McRae pointed out that much of EWEB's current budget surpluses were because the large projects for which EWEB has those funds, were put on hold, adding those funds would still be needed for those projects in the future.

Ms. Hart explained this decision was based on a unique opportunity EWEB currently had to make deposits to the rate stabilization fund now, without impacting the utility's debt service coverage.

Commissioner Barofsky asked where exactly the Leaburg project would fall within the utility.

Mr. Lawson said it was a project of the electric side of the utility, which employed a mix of Capital and Operation and Maintenance (O&M).

Annual Strategic Plan Review

Mr. Lawson offered the Board a report and PowerPoint presentation on the annual strategic plan review.

Vice President Carlson was in favor of intentionally calling out both physical and psychological health, as it directs EWEB's focus. She also liked the vague reference to community as it could include both the EWEB community and the external community.

Commissioner Barofsky asked if it were actually possible to have a Regional Transmission Operator (RTO) by 2024.

Mr. Lawson admitted that figure was optimistic, but it was really more of a monitor on how EWEB would be working with Bonneville Power Administration (BPA), and other partners moving forward

Break

President Brown called for a break at 7:08 pm. The meeting reconvened at 7:18.

EWEB Water Supply Forecasting for Electric Generation Resources

Mr. Hart and Mr. Schroettnig offered the Board a report and PowerPoint presentation on the utility's water supply forecasting for electric generation resources.

With regard to the hydro generation output range and risk factors, Vice President Carlson asked if there would be a need to increase the range that EWEB input over time due to climate change and temperatures.

Mr. Hart said EWEB recognizes that over time water supply can shift due to things like climate conditions, although these are not currently modeled in the long-term financial plan. BPA is starting to build this into their financial planning process. At this time the ranges are based on long-standing historical data sets that BPA remodels every year with current operating regimes.

President Brown asked, with the high snowpack levels, and copious recent precipitation, but the inability to use the excess water to generate electricity, due to nitrogen saturation, how would EWEB's budget be affected.

Mr. Hart said river operations were factored into EWEB's generation forecasts every year, and one thing that has changed is the federal government has shifted spill regimes given environmental concerns. Bonneville's study, which is updated every year, contains that information, and it is worked into EWEB's budget.

President Brown inquired about the status of the treaty with Canada concerning water.

Mr. Schroettig reported that although Canada had not made a move on the water treaty, there was a standard 10-year window from the time of notification until the treaty would be terminated.

Mr. Lawson said it is EWEB's intent to encourage our State department to issue the notice of termination, because we are overpaying the Canadian government, the purpose was to pay Canada for construction of the dams upriver. The flood control piece will be changed in 2024, and those costs are a risk factor for EWEB.

Commissioner Schlossberg asked how accurate the forecasting usually was.

Mr. Hart said it was hard to answer conclusively how accurate EWEB's forecasting was in a single year, but he said using historical data to forecast—with so many variables in place, including weather—was increasingly inefficient, and the conversation around forecasting was ongoing.

Commissioner McRae asked how the utility was backfilling generation shortfalls.

Mr. Lawson offered that BPA—as EWEB's balancing authority—has the responsibility to balance EWEB and other utilities.

Commissioner McRae asked if they were witnessing regional increases in diversification of generating resources.

Mr. Hart answered there was no new generation infrastructure being built in the region, and the Pacific Northwest was actually becoming more reliant on resources which still remain, namely hydro.

Mr. Lawson said he was in possession of a regional forecast that he would share with the Board; in it, he said, there was a significant difference between the level of retirement versus the planned replenishment of energy infrastructure.

Commissioner McRae said he hoped as they were looking at diversifying the Integrated Resource Plan (IRP), so the utility was not as dependent on hydro.

Vice President Carlson said she would like to see what EWEB budgeted for electrical generation, versus what the utility ended up losing. She also asked to see those figures over time, including expected ranges.

Quarterly Operational & Strategic Goals Report for Q1

Mr. Lawson and Mr. Price offered the Board a report and PowerPoint presentation on EWEB's quarterly operational and strategic goals for Q1 2022.

In reference to a pre-meeting question about the E. 40th Project, Vice President Carlson pointed out there was a strategic decision and an approved budget to change the scope of the project, although the reporting made it appear the utility was double over budget. She suggested that in the future, it be noted that the Board took a different position, and there was no significant price increase according to the Board-approved change.

Mr. Lawson praised staff for the work they put into this report, especially thanking Rod Price, and the executive and management teams specifically.

Commissioner McRae asked if there was a conventional way to flag and document any changes in project scope, for transparency's sake.

Mr. Lawson agreed that was a really important point, and he and staff would explore options for doing just that.

Commissioner Barofsky encouraged EWEB procurement—given recent supply chain issues—to buy things they needed when they were available, and to store them for future use, citing the speed with which availability and prices change.

Correspondence & Board Agendas

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

Commissioner Barofsky asked if the smart meter opt-out fee was a monthly or yearly fee.

Mr. Lawson said it was a monthly fee.

Commissioner Barofsky said although he was on board with the opt-out fee, it was crucial that EWEB communicate this to the ratepayers.

Mr. Price offered that was why it was being discussed now, before they picked up smart meter installation again.

Commissioner Barofsky asked when staff anticipated those fees being applied to ratepayers.

Mr. Lawson said either next year, or after full deployment.

Commissioner Schlossberg asked if a building was a multi-family dwelling, would the opt-out fee be imposed on each separate family.

Mr. Lawson said the individual account holder would make that decision.

Commissioner McRae expressed concern about the opt-out fee, and he wondered if there was another way to read ratepayers' meters without using wireless technology.

Mr. Lawson said the options were to manually read the meter, to use a drive-by reading option - which was as costly or more costly, or to use the automated AMI approach.

President Brown agreed with his colleagues' sentiments surrounding the opt-out fee, and suggested EWEB public relations get out ahead of it as much as possible.

Although voicing support, Vice President Carlson said she was curious about the cost of advanced metering (AMI) over time. She added that it was important for EWEB to make sure it had the capacity to fulfill orders for smart meters before the fee was implemented. Vice President Carlson asked if the Board could receive regular weekly notices about upcoming events that Commissioners may want to attend.

Mr. Lawson said that was a reasonable request, and he and staff would address it right away. He said it was a good idea to assess what the costs of AMI would be, dependent on participation rates.

Mr. Price clarified there were enough meters for the day-to-day operations of AMI, but they did not have enough to launch into full deployment.

Board Wrap-Up

Commissioner Barofsky said he would like to see the public back attending these meetings, and he was worried moving the Board meetings to the Roosevelt Operations Center (ROC) might make it more difficult for the public to attend.

President Brown asked if someone wanted to make a motion to honor the ask from David Hilton (in public input) to postpone the RFP for the headquarters building for at least one year, so the Board could discuss it.

Vice President Carlson said she did not wish to make a motion to that end at this time; she said she wanted to see how the RFP process played out, and the actual requests that EWEB would receive.

Commissioner McRae said he could not understand how anyone involved in the local real estate market would not know the headquarters building was coming up for sale.

Mr. Lawson said the RFPs for the headquarters property would not close until August.

President Brown agreed with Vice President Carlson; he wished to see the RFP process play out.

Mr. Lawson announced the McKenzie tour was on May 20, 2022.

Commissioner Barofsky mentioned the EWEB Board of Commissioners might be able to use the Eugene City Council's space on the Lane Community College campus for Board meetings.

President Brown adjourned the Regular Session at 8:46 p.m.

Recorded by Rodney Cimburke

Assistant Secretary

President

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve an information technology service agreement with **Olsson Industrial Electric, Inc.** for **Engineering Consulting and Integration Services for the Upgrade of the Water Supervisory Control and Data Acquisition (SCADA) System.**

Board Meeting Date: June 7, 2022
Project Name/Contract #: Water SCADA Upgrade Project / 22-015-PSC
Primary Contact: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$870,000
Additional \$ Previously Approved: \$0
Invoices over last approval: \$0
Amount this Request: \$870,000
Percentage over last approval: NA
Resulting Cumulative Total: **\$870,000**

Contracting Method:

Method of Solicitation: Formal Request for Proposal (RFP)
If applicable, basis for exemption: NA
Term of Agreement: One-Time
Option to Renew? No
Approval for purchases "*as needed*"
for the life of the Contract: Yes No
Proposals/Bids Received (Range): 4 (\$390,470 - \$1,598,593)
Selection Basis: Highest Ranked Proposer
Narrative:

Operational Requirement and Alignment with Strategic Plan

A suite of systems is required for the operation of EWEB's water system and to meet reliability, water quality and reporting requirements. These include a newer historian, a tool that stores and logs the data of the SCADA system, for enhanced regulatory documentation and reporting and an operator interface to control the water system and provide data to the historian.

The existing operator interface is built on an out-of-date SCADA platform originally installed in 1985 and while the system has been updated, it consists of two separate systems, one for EWEB's distribution system and one for the Hayden Bridge Filtration Plant. These discrete systems limit operator and system capabilities both with respect to operations and record keeping.

Through two previous projects, EWEB has vetted and deployed Ignition by Inductive Automation as the SCADA platform of choice moving forward.

This project will replace the existing legacy SCADA systems with Ignition on both the Treatment and Distribution sides of the process, allowing users of the new Ignition application unified access through one SCADA project to the entire water system. The new system also allows for full utilization of EWEB’s historian, enhancing documentation and regulatory reporting. This project aligns with the Strategic Plan by both replacing a legacy system and ensuring continued compliant drinking water delivery and regulatory reporting.

Contracted Goods or Services

If approved, Olsson Industrial Electric will provide engineering consulting and integration services, to plan, design, test, execute, and document the Water SCADA Upgrade Project. This project will take a SCADA pilot project, a Historian & Reporting pilot project, both implemented at the Hayden Bridge Filtration Plant (WTP), and build out a comprehensive system which will encompass the entire WTP, as well as EWEB’s Pumping, Storage and Distribution System (Distribution). The new Ignition system will replace the legacy SCADA system used to control EWEB’s water system for over 30 years.

Purchasing Process

In February 2022, in accordance with the Oregon public procurement rules, EWEB initiated a Request for Proposals (RFP) using the Formal Request for Proposals process. The RFP was advertised on the State of Oregon bid site, OregonBuys and Portland Business Tribune. Four (4) proposals were received, and all were deemed responsive and responsible.

The proposals were evaluated by an EWEB evaluation team. The maximum number of points possible for responses was 100 using the following sub-criteria and maximum number of points for each: Minimum Qualifications (Pass/No Pass – Not scored); Understanding of the Project, Proposed Approach (25 Points); Scope of Work (25 Points); Bid Response Questionnaire (10 points); Company Experience and References (15 points); Project Staffing and Qualifications (10 points); Proposed Project Schedule (10 points); Proposed Cost Estimate (5 points).

After completing the evaluation of the proposals, the proposers were invited to conduct a Virtual Site Tour of a recently integrated SCADA system that the proposers felt best represented their work related to this project. The total possible points for the Virtual Site Tours were 50. After the tours were completed Olsson Industrial Electric was selected as the most qualified consultant.

Proposals Received

Vendor Name	City, State	Offered Price	Ranking (for RFPs)
Olsson Industrial Electric	Springfield, OR	\$852,940.00	1
Concept Systems	Albany, OR	\$1,598,592.27	2
Advanced Control Systems	Meridian, ID	\$390,470.00	3
SOAP Engineering	Houston, TX	\$549,231.25	4

Competitive Fair Price (If less than 3 responses received)

NA

Prior Contract Activities

EWEB Contract	Project Name (Description)	Board Approved Date	Project Duration (Start to Close)	Original Amount	Final Amount	Reason Code
20-094-PSC	Integrator – Filter HMI Upgrade (HB)	NA	5/6/20-8/28/20	\$67,120	\$76,192	AW/SD
22-031-S	HB PAC System Upgrade, Panel Build	NA	03/07/22 – Ongoing	\$35,655	TBD	

Reason Code: AM = Additional Materials, AW = Additional Work, EW= Emergency Work, SD = Staff Directed, UC = Unforeseen Conditions, Other

The scope of work for contract 20-094-PSC was expanded, per EWEB staff direction, to include additional licensing on the I/O Gateways to achieve a more stable and resilient HMI architecture.

ACTION REQUESTED:

Management requests the Board approve an information technology services agreement with Olsson Industrial Electric to expand EWEB's pilot project into a complete Water SCADA, Historian, Reporting System. The Water Capital Improvement Plan included approximately \$1 million for this work split between 2021 and 2022. Vetting the project requirements took longer than anticipated and now the work will be completed under the 2022 and 2023 Water Utility Capital Budgets for Type 1 work which total approximately \$10 million per year. 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 new contract with **Wildish Construction Co.** for the **Construction and Installation of a Ductile Iron Water Main in Polk Street.**

Board Meeting Date: June 7, 2022
Project Name/Contract #: Polk Street Water Main Replacement / 22-060-PW
Primary Contact: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$900,000
Additional \$ Previously Approved: \$0
Invoices over last approval: \$0
Amount this Request: \$900,000
Percentage over last approval: NA
Resulting Cumulative Total: **\$900,000**

Contracting Method:

Method of Solicitation: Formal Invitation to Bid
If applicable, basis for exemption: NA
Term of Agreement: One-Time
Option to Renew? No
Approval for purchases "as needed"
for the life of the Contract: Yes No
Proposals/Bids Received (Range): 4 (\$896,765-\$1,338,622)
Selection Basis: Lowest Responsive and Responsible Bidder

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB proactively addresses the aging water distribution system by replacing aging water pipelines. The goal of this program is to reduce risks associated with water main breaks and increase the reliability and performance of the overall distribution system. In accordance with recommendations in the Water Master Plan, a risk model is used to prioritize and identify pipelines for replacement. In addition, new pipelines are installed to current standards using materials and methods designed to improve the resiliency of the water system.

This project will replace approximately 4190 feet of 8-inch cast iron water main in Polk Street from 18th Avenue to 24th Avenue and 25th Avenue to 28th Avenue including but not limited to water valves, fittings, connected water services and fire hydrants. The block between 24th Avenue and 25th Avenue was previously replaced by EWEB Operations in 2016. This project also includes full concrete panel restoration at the 18th and Polk intersection with the use of steel plating to allow high early strength dowelled concrete cure time.

Contracted Goods or Services

If approved, Wildish Construction Co. will provide construction services to complete the installation of the Polk Street water main replacement according to the project scope and design. The project is scheduled for

completion in November 2022.

Purchasing Process

In April 2022, in accordance with the public procurement rules, EWEB initiated an Invitation to Bid (ITB) using the Formal Invitation to Bid Process. The ITB was advertised on the State of Oregon bid site, OregonBuys, and the Portland Business Tribune. Four (4) bids were received, and the lowest responsive and responsible bid was from Wildish Construction Co.

Bids Received

Vendor Name	City, State	Offered Price	Ranking (for RFPs)
H&J Construction	Eugene, Oregon	\$1,183,940.00	NA
Wildish Construction Co	Eugene, Oregon	\$896,765.00	NA
Pacific Excavation	Eugene, Oregon	\$1,338,622.00	NA
Delta Construction	Eugene, Oregon	\$958,608.45	NA

Competitive Fair Price (If less than 3 responses received)

NA

Prior Contract Activities

EWEB Contract	Project Name (Description)	Board Approved Date	Project Duration (Start to Close)	Original Amount	Final Amount	Reason Code
010-2019	VILLARD STREET WATER MAIN REPLACEMENT	4/2/19	4/9/19-7/18/19	\$179,620	\$204,801	AM/AW/SD
21-029-PW	City View 800 East Reservoir Access Improvements	NA	2/26/21-9/3/21	\$47,914.91	\$49,525.22	AW/SD
21-183	Willamette Street AC and Concrete Restoration	NA	9/10/21-12/1/21	\$91,795	\$59,254	
21-111	Powder Activated Carbon Building Retrofit	2/1/22	2/2/22-Ongoing	\$578,200	TBD	

Reason Code: AM = Additional Materials, AW = Additional Work, EW= Emergency Work, SD = Staff Directed, UC = Unforeseen Conditions, Other

Contract 010-2019 was increased due to additional work and materials added per staff direction.

Contract 21-029-PW was increased due to additional scope of work required to repair a vent coating and installation of a mesh screen.

ACTION REQUESTED:

Management requests the Board approve a new contract with Wildish Construction Co. for the construction and installation of a ductile iron water main in Polk Street. Approximately \$3.6 million is allocated for water main replacement work, such as this contract, in the 2022 Water Capital Budget of \$29 million. Variances will be managed within the budget process and Board policy.