

**EUGENE WATER & ELECTRIC BOARD  
EXECUTIVE SESSION  
4200 ROOSEVELT BOULEVARD / VIRTUAL  
JUNE 7, 2022  
4:45 P.M.**

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

**Others present:** Frank Lawson, General Manager; Rod Price, Assistant General Manager; Lena Kostopulos, Chief Workforce Officer; Kira Hutchens, Workforce Services Manager; Deborah Hart, Chief Financial Officer; Julie McGaughey, Chief Customer Officer; Karen Kelley, Chief Engineering & Operations Officer; Travis Knabe, Chief Information Officer; Holly Shugart, Administrative Assistant; Andrew Goodwin, IT Support Specialist; Anne Kah, Administrative Services Manager; and Randy Geller of Harrang Long Gary Rudnick PC.

**EXECUTIVE SESSION:**

The Executive Session was called to order at 4:45 p.m.

**Pursuant to ORS 192.660 (2)(d)**

The EWEB Board of Commissioners met in Executive Session to conduct deliberations with persons designated by the governing body to carry on labor negotiations.

President Brown adjourned the Executive Session meeting at 5:15 p.m.

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Assistant Secretary

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President

**EUGENE WATER & ELECTRIC BOARD  
REGULAR SESSION**

**June 7, 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; Lena Kostopulos, Chief Workforce Services Officer; Wally McCullough, Water Engineering Supervisor; Tyler Nice, Electric Operations Manager; Rod Price, Assistant General Manager

President Brown called the Regular Session to order at 5:30 p.m.

**Agenda Check**

There were no changes or additions to the agenda.

**Public Input**

**Twila Jacobsen** of Eugene, implored EWEB to do more to mitigate the damage to salmon and other species caused by the over 250 hydroelectric dams in the Columbia River Basin. She cited the four dams on the lower Snake River, pointing out they were prime for removal, since their economic value was in decline, and their removal would greatly benefit salmon populations. Ms. Jacobsen asserted that EWEB could be a force in modernizing the Bonneville Power Authority (BPA), adding that federal funds were available to build new power infrastructure to replace BPA's dams at no cost to ratepayers.

**Tana Shepard** of Eugene, and representing School District 4J (SD4J), thanked the utility for continuing to fund their dynamic and meaningful partnership. She offered some recent SD4J highlights, including the Water is Life mural, some forays into wind generation, and the recently rebranded Electric Vehicle (EV) Challenge. Ms. Shepard announced EWEB would be at Kelly Middle School on Thursday, June 9, and she said she would try to get pictures and video footage to share with the community as the school year comes to a close.

Vice President Carlson asked Ms. Shepard about teacher response to the EWEB-funded programs.

President Brown assured Ms. Jacobsen that he was committed to making sure the region had an adequate energy supply, with an eye to clean renewable energy, while protecting the salmon in the rivers.

Mr. Lawson announced the City Club of Eugene was set to hold a panel discussion on the lower Snake River dams, and he would be sure to get that event posted on EWEB's website calendar.

## **Approval of Consent Calendar – A, Minutes and Routine Contracts**

### **MINUTES**

#### **1. a. April 19, 2022 Upriver Presentation**

#### **b. May 3, 2022 Regular Session**

### **CONTRACTS**

**2. Olsson Industrial Electric, Inc.** – for Engineering Consulting and Integration Services for the Upgrade of the Water Supervisory Control and Data Acquisition (SCADA) System. \$870,000 based on Formal Request for Proposal.

**3. Wildish Construction Co.** – for the Construction and Installation of a Ductile Iron Water Main in Polk Street. \$900,000 based on Formal Invitation to Bid.

***Vice President Carlson moved to approve Consent Calendar – A. The motion passed unanimously 4:0. (Commissioner McRae was not present)***

## **Approval of Consent Calendar – B, Non-routine Contracts and Other Consent Items**

### **CONTRACTS**

**4. Altec Industries** – for a cooperative contract for the Purchase of Four (4) Small Service Bucket Trucks. \$1,100,000 (one time purchase).

**5. GE Grid Solutions LLC** – for JMUX Replacement Equipment. \$226,500 (one time purchase) based on Direct Negotiation.

**6. Magnum Power, LLC** – for Construction Services at EWEB's Oak Grove Facility in Clackamas County. \$747,000 based on Formal Invitation to Bid (2 bids received).

**7. McKenzie Watershed Alliance (MWA)** – for Forest Management of Deer Creek Phase 4 floodplain restoration. \$425,000 based on Direct Negotiation.

**8. Pape Machinery (John Deere dealer)** – for a cooperative contract for the Purchase of a Hydraulic Excavator. \$241,000 (one time purchase).

**9. Peterson Trucks Inc.** – for a cooperative contract for the Purchase of Two (2) Dump Trucks. \$400,000 (one time purchase).

**10. RDO Equipment (Vermeer dealer)** – for a cooperative contact for the Purchase of a Horizontal Directional Drilling Machine. \$190,000 (one time purchase).

## **RESOLUTIONS**

**11. Resolution No. 2213** - Highest and Best Use of Reserves.

***Vice President Carlson moved to approve Consent Calendar – B. The motion passed unanimously 4:0. (Commissioner McRae was not present)***

### **Capital Investment Planning & Project Update, Part 1**

Mr. Lawson, Mr. Price, Mr. Nice, and Mr. McCullough offered the Board the first part of an update on Capital Investment Planning (CIP), with an accompanying PowerPoint presentation.

Commissioner McRae joined the meeting during the Capital Investment Planning & Project Update, Part 1.

Vice President Carlson wondered about the average age of the water transmission system.

Mr. McCullough said it was a relatively young system, where the distribution mains were concerned, he said the system had only been in place since the 1980s

Vice President Carlson asked about the E 40<sup>th</sup> and Hilyard water storage project—she asked if they were on-schedule with the project, and if there had been any supply chain issues.

Mr. McCullough said there were minor supply chain issues on some of the piping, but regardless, they looked to be operational by July of 2023.

Commissioner Barofsky asked if the Board could expect a CIP project-by-project list with identified funding.

Mr. Lawson said the CIP projects were broken into three categories: Type 1, Type 2, and Type 3. He said Type 1 projects are more routine and profuse throughout the system, so there was no breakdown of those projects like Commissioner Barofsky had mentioned; however, the other two project Types were larger, and more singular, and therefore would appear on a project-by-project list.

Referring to the map of substations in the PowerPoint presentation, Commissioner Barofsky asked if the Larch Street substation was among the EWEB substations that were going to be upgraded. He also asked for clarification as to whether that was the 12th substation to be replaced, and what the timeframe would be.

Mr. Nice offered the #12 substation was scheduled later in the CIP, although EWEB was studying the sound analysis of that particular substation now.

Commissioner McRae spoke in favor of the Federal Emergency Management Agency (FEMA) storm mitigation work, saying the utility should do that work wherever they could afford to, especially with financial help from FEMA. He asked how EWEB prioritized areas in which overhead power lines were placed underground in the storm mitigation work.

Mr. Nice said a net-positive cost/benefit analysis would have to be completed and submitted to FEMA prior to any funding from them.

Commissioner McRae asked how many storm mitigation projects EWEB had completed thus far.

Mr. Nice answered 16, with three of them being large-scale projects.

Commissioner McRae asked how much seismic performance drove EWEB's improvement projects.

Mr. McCullough said the water utility focuses on the resilient spine, and that the older water systems were the most susceptible to seismic activity. He said the Hayden Bridge facility had been seismically upgraded, and EWEB's reservoirs and their transmission systems were also in the process of being seismically upgraded. He added that older pump stations and other facilities will also be phased in.

Mr. Nice said the electric side of the utility's first focus is on critical loads and connections throughout the electric transmission system. He said they performed analyses on different sites throughout the system, adding those that needed upgrading to each year's CIP.

Commissioner McRae asked about the \$20 million set aside for Leaburg; he wondered if that was a fund in case issues arose before the utility made major investments in the Leaburg facility.

Mr. Lawson clarified that was a number EWEB staff inserted just in case any incidental issues came up at Leaburg. He added the assumptions surrounding Leaburg would increase drastically in the next month.

President Brown wondered, since four of the first five substations were either in Springfield or up the McKenzie River, if the Springfield Utility Board (SUB), or perhaps Lane Electric Cooperative could service those substations and offset EWEB's capital needs of having to refurbish the aforementioned substations.

Mr. Nice said that was not possible.

### **Break**

President Brown called for a 10-minute break at 6:30 pm. The meeting reconvened at 6:40 pm.

## **Capital Investment Planning & Project Update, Part 2**

Mr. Lawson, Mr. Price, Mr. Nice, and Mr. McCullough offered the Board the second part of an update on Capital Investment Planning (CIP), with an accompanying PowerPoint presentation.

Referring to the CIP Fiscal Management slide, Vice President Carlson asked if it was possible to track the percent of budget spent separate from the percent of work completed, recognizing the potential impacts of inflation on that metric. She then asked for clarification of the inflation rate.

Mr. Price pointed out that in the past, inflation was set at 3%, but on this particular CIP, it was increased to 5.5%.

Mr. Lawson added that, according to economists that EWEB consults, inflation currently is volatile, which makes it harder to predict for how long inflationary pressures would be felt while carrying out the projects of the CIP.

Commissioner Barofsky said he felt EWEB had positioned itself very well to withstand inflation, and he added the utility's reserve funds and rate stabilization funds were a great tool to guard EWEB against wild inflationary swings, or a recession. He asked what percentage of the larger CIP projects would be bonded, as opposed to paid for upfront.

Mr. Lawson said that was a question EWEB staff would address next month, when the EWEB Financial team has a presentation planned.

Commissioner Schlossberg asked if the projected rates would change now that inflation has become volatile.

Mr. Lawson said there would be tradeoffs where rates were concerned, and the specifics of that would be brought before the Board very soon.

## **Board Policy Update – GP7 Parliamentary Procedures**

Mr. Lawson offered the Board an update and PowerPoint presentation on Board Policy GP7 – Parliamentary Procedures.

Commissioner McRae said he agreed that attending a meeting virtually, should be considered being in attendance. He added that he would also like to work on a replacement procedure, in case an EWEB Commissioner leaves their Board position suddenly.

Commissioner Barofsky asked if there were only three Commissioners present at a meeting, would that constitute a quorum, making—in that scenario—two of the three Commissioners the majority.

Mr. Lawson said no, two out of three Commissioners could not take action on agenda items, because it would not represent the majority of the entire Board. He added that three Commissioners could pass a Resolution, but it would have to be a unanimous vote.

Commissioner Schlossberg asked if EWEB might check with School District 4J to see their methodology for filling vacancies on the School Board.

Vice President Carlson said Board members should not be able to nominate for vacant positions, that instead there should exist the standard application process.

President Brown said he did not believe 90 days would be long enough for applicants to complete the process of applying for a vacant seat on the EWEB Board of Commissioners. He reminded the Board that Commissioners represented geographic regions of the service territories, all with different values; he said the person applying for a vacant seat on the Board, should do so from within that geographic region.

Mr. Lawson clarified that the 90 day timeframe to fill a vacancy on the Board is required by City Charter.

### **Correspondence & Board Agendas**

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

President Brown asked if the hydrogen facility was going to be at the Bertelsen Rd site.

Mr. Lawson said that was correct; it would be on the northeast corner of Bertelsen and Roosevelt.

President Brown opined that in the interest of equity, all rate-payers' schools should benefit from EWEB education grants, and in his personal opinion funding should not be limited to just public schools.

In the context of the correspondence around compensation and benefits, Commissioner Barofsky referenced the exemption to BOLI's pay equity standard that will sunset in September. He said he hoped that if EWEB needs to incentivize hiring, they do so as much as possible before September, he also inquired if EWEB was advocating for an extension to the exemption.

Ms. Kostopulos said she was not prepared to answer that question at the present time, and would follow up with the Board.

### **Board Wrap-Up**

President Brown expressed concern about the lack of public knowledge of EWEB's plan to publicize its emergency water system.

Mr. Lawson will check on that and get back to the Board soon.

President Brown adjourned the Regular Session at 7:37p.m.

*Recorded by Rodney Cimburke*

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Assistant Secretary

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President

## **EWEB Board Consent Calendar Request**

*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve additional funds for professional forestry consulting services for the **Long-Term Management of the 965-acre Leaburg Forest and High Banks Carbon Forest Planting Project with Trout Mountain Forestry.**

Board Meeting Date: July 5, 2022  
Project Name/Contract #: Forest Management Services / 19-137-GS  
Primary Contact: Karen Kelley Ext. 7153

### **Contract Amount:**

Original Contract Amount: \$145,000 (not previously approved by Board)  
Additional \$ Previously Approved: NA  
Invoices over last approval: NA  
Amount this Request: \$290,000  
Percentage over last approval: NA  
Resulting Cumulative Total: **\$290,000 (Over 5 years)**

### **Contracting Method:**

Method of Solicitation: Formal Request for Proposal  
If applicable, basis for exemption: NA  
Term of Agreement: 1 year  
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 proposals received ranging from \$145,000 - \$268,500  
Selection Basis: Highest Ranked Proposer

Narrative:

#### Operational Requirement and Alignment with Strategic Plan

The McKenzie River is the sole source of drinking water for more than 200,000 people in Eugene and surrounding communities. In 2001, EWEB implemented a comprehensive drinking water source protection program to safeguard this critical water resource for current and future generations. The overall concept of drinking water source protection is to have the ability to measure the balance between watershed health and human use over time and implement actions that maintain a healthy balance for production of exceptional water quality. The McKenzie watershed consists of over 88% forested land, with 68% managed by the U.S. Forest Service and Bureau of Land Management and over 20% as private forests. It is a well-known fact that watersheds predominately covered with healthy forests have exceptional water quality.

The original contract included forestry management of the Leaburg Forest and cooperative work with University of Oregon to conduct carbon sequestration research at EWEB's High Banks property. The original contract amount of \$145,000, which was not previously approved by the Board, included design meetings, a Carbon Forest Planting Plan, planting implementation and monitoring and maintenance for Phase 1&2 of High Banks. Following the HFF, the restoration budget included funding to support carbon sequestration research that will be scaled up

to support watershed restoration. The proposed amendment, which adds \$145,000 if the Board approves, would provide for competing vegetation and weed removal for Phase 1&2 and site prep on an additional 48 acres for Phase 3 at the EWEB High Banks Property.

Contracted Goods or Services

Leaburg Forest:

- Update Leaburg Forest Stewardship Plan, including updated forest inventory
- Pre-Operational and Post-Operational Reports for documenting timber harvest activities
- Wildlife Habitat Enhancement Plan and Post-Operational Report documenting wildlife habitat enhancement activities
- Forest Pest and Invasive Species Management Plan and Post-Operational Report documenting actions taken and effectiveness of actions on managing pests/invasives
- Periodic Effectiveness Monitoring Report to document forest health, effectiveness of operational activities and changing conditions; and,
- Updated GIS data layers associated with forest management activities

High Banks Carbon Forest Planting Project:

- Attend Design meetings with EWEB and the University of Oregon
- Create a carbon forest planting plan
- Implement planting plan
- Monitor and maintain

Purchasing Process

Purchasing staff issued a formal request for proposal in October of 2019. The RFP was evaluated by an EWEB team with the total number of points being 100. The points were based on project understanding and technical approach (25 points), firm and key staff experience and references (35 points), and proposal pricing (40 points). Trout Mountain Forestry was deemed the highest ranked proposer.

Proposals Received

Vendor Name	City, State	Offered Price	Ranking (for RFPs)
Trout Mountain Forestry	Corvallis, OR	\$145,000	1
Integrated Resource Management	Philomath, OR	\$181,120	2
Mason Bruce Girard	Eugene, ID	\$141,400	3

Prior Contract Activities

EWEB Contract	Project Name (Description)	Board Approved Date	Project Duration (Start to Close)	Original Amount	Final Amount	Reason Code
016-2015	Forest Management Plan	NA	June 2016-Dec 2017	\$29,082.50	\$29,082.50	NA
19-137-GS	Forest Management Services	NA	Nov 2019-Current	\$146,000	\$146,000	NA

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

**ACTION REQUESTED:**

Management requests the Board approve an increase to the Contract with Trout Mountain Forestry for Forest Management Services. \$145,000 was planned for these goods and services in the Source Protection/Department 378 2022 budget of \$1.85 million. Variances will be managed within the budget process and Board policy.