

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
March 7, 2023
5:30 P.M.**

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

Others Present: Frank Lawson, General Manager; Kelly Hoell, Climate Policy Analyst & Advisor, Travis Knabe, Chief Information Officer; Julie McGaughey, Chief Customer Officer; Deborah Hart, Chief Financial Officer; Rob Freytag, General Accounting & Treasury Supervisor; Megan Capper, Energy Resources Manager; Ben Ulrich, Power Planning Supervisor; Aaron Bush, Resource Analyst; Aaron Orłowski, Communications Specialist

Call to Order

President Carlson 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 [1:33]

Public Input [7:16]

Jim Neu of Ward 7, and on behalf of 350 Eugene and the environmental and social justice organizations, expressed appreciation to General Manager Lawson and staff for the IRP meetings, and to Kelly Hoell for the Climate Guidebook.

Joshua Korn of Eugene spoke in opposition to EWEB installing wireless metering technology, also referred to as Advanced Metering Infrastructure (AMI), citing risks from RF radiation and job loss.

William Smith of Eugene gave an overview of fiber optics basics.

Max Leibrich of Eugene made a complaint about the EWEB billing system.

Will Rutherford acknowledged Karl Morgenstern's contributions to the watershed.

BOARD ACTION ITEMS

Approval of Consent Calendar – A, Minutes and Routine Contracts [24:11]

MINUTES

1. February 7, 2023 Regular Session

Action:

MOTION: Commissioner Brown moved to adopt Consent Calendar A as presented. The motion passed unanimously, 5:0.

Approval of Consent Calendar – B, Non-routine Contracts and Other Consent Items [24:33]

CONTRACTS

2. Applied Process Equipment - for the purchase of Arsenic Treatment Systems at new emergency water wells. \$176,000 based on Informal Request for Proposals (RFP).

3. Beaver Equipment LLC - for the purchase of anthracite. \$220,000 (over 5 years) based on Direct Negotiation.

4. Convergent Technologies – for the use of a cooperative contract for Enterprise Security Systems Customer Support Program. \$400,000 (over 5 years).

5. ICF – for Wildfire Risk Analysis Services. \$350,000 (over 5 years) based on Formal Request for Proposal.

6. Jacobs dba CH2M Hill Engineers, Inc. – for additional funds to the engineering services contract for Carmen Smith Fish Passage Facilities and to increase the length of the contract from 5 years to a maximum of 10 years. \$3,000,000 (original contract amount \$10,000,000 based on Request for Proposals, \$2,000,000 previously approved 06/01/21, resulting cumulative total \$15,000,000).

7. Pacific Excavation, Inc. – for a new construction contract for the Hilyard Street 36-inch Transmission Main and 24-inch Storm Drain Replacement. \$9,500,000 based on a Formal Invitation to Bid.

8. Wildish Building Company – for Construction Task Order #24 for construction services for the Temporary Trap and Haul Facility at the Carmen-Smith Spawning Channel. \$1,425,000.

9. W.W. Grainger – for the use of a cooperative contract for the purchase of Maintenance, Repair, and Operations (MRO) Industrial Supplies. \$250,000 over 2 years.

RESOLUTIONS

10. Resolution No. 2307 – Annual Price Adjustment for Dark Fiber Lease Pricing.

OTHER

11. EWEB/City of Eugene Joint Initiatives Agenda.

Action:

MOTION: Commissioner Brown moved to adopt Consent Calendar B as presented. The motion passed unanimously, 5:0.

EWEB Enterprise Solutions (EES) Implementation Contracts [25:41]

Travis Knabe, Chief Information Officer, Julie McGaughey, Chief Customer Officer, and Deborah Hart, Chief Financial Officer offered the Board a report and PowerPoint presentation and answered questions from Commissioners.

Action:

MOTION: Commissioner Brown moved to approve the Program Director Services contract with Avant Consulting, not to exceed \$5 million over five years. The motion passed unanimously, 5:0.

Action:

MOTION: Commissioner Brown moved to authorize the General Manager or designee to approve the implementation contract with Deloitte Consulting, not to exceed \$16 million over two years. The motion passed unanimously, 5:0.

Resolution No. 2306, Upcoming Water Utility Bond Financing [39:20]

Deborah Hart, Chief Financial Officer and Rob Freytag, General Accounting & Treasury Supervisor offered the Board a report and PowerPoint presentation and answered questions from Commissioners.

Action:

MOTION: Commissioner Brown moved to adopt Resolution 2306. The motion passed unanimously, 5:0. (Resolution No. 2306 requesting the City Council authorize the issuance and sale of Water Utility Bonds for new construction.)

GENERAL BUSINESS ITEMS

State of the Utility Address & Prior Year-end Operational & Strategic Goals Report [52:20]

Frank Lawson, General Manager thanked the staff, Board, and citizens. He provided an overview of the goals set for 2022 and goal achievement.

Climate Guidebook Part 1: Content Overview [1:25:55]

Frank Lawson, General Manager and Kelly Hoell, Climate Policy Analyst & Advisor offered the Board a report and PowerPoint presentation on the purpose, timeline, and versions of EWEB's Climate Guidebook and answered questions from Commissioners.

Climate Guidebook Part 2: GHG (Greenhouse Gas) Inventory and CAP2.0 [2:11:08]

Frank Lawson, General Manager and Kelly Hoell, Climate Policy Analyst & Advisor concluded the PowerPoint presentation on EWEB's Climate Guidebook.

IRP (Integrated Resource Plan) Sensitivity Analysis and Public Engagement Update [2:56:15]

Brian Booth, Chief Energy Resources Officer, Megan Capper, Energy Resources Manager, Ben Ulrich, Power Planning Supervisor, Aaron Bush, Resource Analyst Aaron Orłowski, Communications Specialist offered the Board a report and PowerPoint presentation led by Mr. Bush outlining the IRP timeline and process and answered questions from Commissioners.

Required Review of Bylaws [3:39]

Frank Lawson, General Manager noted that the bylaws must be reviewed within the first three months following the swearing in of Commissioners. He stated that if the Board endorsed the recommended changes, the public would be served notice and the item would return for action next month.

Commissioners did not request any modifications to the bylaws presented.

Correspondence & Board Agendas [3:40:13]

Frank Lawson, General Manager offered the Board a brief report on Correspondence and Board Agendas.

It was the decision by consensus to add the State of the McKenzie Report to next month's agenda.

Board Wrap Up [3:42:29]

Adjourn

President Carlson adjourned the Regular Session at 9:25 p.m.

Recorded by Angela Kern, LCOG

Assistant Secretary

President

**EUGENE WATER & ELECTRIC BOARD
EXECUTIVE SESSION
VIRTUAL
MARCH 21, 2023**

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

Others present: Frank Lawson, General Manager

EXECUTIVE SESSION

The Executive Session was called to order at 5:30 p.m.

Pursuant to ORS 192.660(2)(i)

To review and evaluate the employment-related performance of the General Manager.

General Manager exited the meeting at approximately 6:10 p.m.

President Carlson adjourned the Executive Session meeting at 6:30 p.m.

Assistant Secretary

President

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new contract with **Davey Tree Surgery Company** for **Utility Line Clearance services**.

Board Meeting Date: April 4, 2023
Project Name/Contract #: Utility Line Clearance Services – 8 Crew / Contract 23-005-S
Manager: Tyler Nice Ext.7419
Executive Officer: Karen Kelley Ext.7153

Contract Amount:

Original Contract Amount: \$7,000,000
Additional \$ Previously Approved: \$0
Spend over last approval: \$0
Amount this Request: \$7,000,000
% Increase over last approval: NA
Resulting Cumulative Total: **\$7,000,000 (Over 2 years)**

Contracting Method:

Method of Solicitation: Formal Request for Proposal
If applicable, basis for exemption: NA
Term of Agreement: May 1, 2023 through May 1, 2025 (expected)
Option to Renew? Yes. Intent is 2-year term, but can be extended if required
Approval for purchases “as needed”: Yes No
Proposals/Bids Received (Range): 6 - \$3,395,130 - \$8,914,750
Selection Basis: Highest Ranked Proposer
Narrative:

Operational Requirement and Alignment with Strategic Plan

The PUC requires EWEB to perform utility line tree trimming to maintain clearance around its distribution and transmission lines. This is also an important component of safety and reliability of service directly in support of Goal #1, Operational Effectiveness. Electric Operations requires the services of a qualified utility line clearance, tree pruning, and vegetation debris removal contractor to maintain the areas around energized power lines.

Contracted Goods or Services

This Contract is for eight crews to provide utility line clearance services that include: tree pruning, removal, and stump grinding along EWEB transmission and distribution power lines on an ongoing regular basis and during emergency situations. EWEB currently contracts with Wright Tree Services for 8 crews and West Lane Tree Trimming Services for 3 crews. This contract will replace the resources provided by Wright Tree Services, and EWEB will retain the West Lane contract as is.

Purchasing Process

Purchasing staff issued a request for proposal (RFP) in February 2023. The RFP was advertised on the State of Oregon’s procurement website, OregonBuys. Criteria for scoring included: ability and capability to perform the services (15%); proposer’s past experience (25%); proposer’s supervisor & assistant supervisor’s past experience (10%); quality assurance/safety (10%); equipment (10%); and sustainability (5%); and pricing (25%). Davey Tree Surgery Company was selected as the highest ranked, responsive, and responsible proposer.

Bids Received

Vendor Name	City, State	Offered Price (based on 1 year of services)	Ranking (for RFPs)
Arbor Pros LLC	Reno, NV	\$3,827,900	4
ArborWorks, LLC	Oakhurst, NV	\$4,933,565	5
Asplundh Tree Expert, LLC	Sherwood, OR	\$3,395,130	2
Davey Tree Surgery Company	Livermore, CA	\$3,452,585	1
O’Malley Brothers Corp	Gresham, OR	\$8,914,750	6
Wright Tree Service, Inc.	Des Moines, IA	\$3,534,640	3

Prior Contract Activities

EWEB has had no prior Contracts with Davey Tree Surgery Company.

ACTION REQUESTED:

Management requests the Board approve a new contract with Davey Tree Surgery Company for Utility Line Clearance Services. Approximately \$5 million was planned for tree services in the 2023 Electric O&M budget of \$307.7 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 additional funds for **Pole Inspection, Test & Treat, and NESC and Joint Use Inspections with Osmose Utilities Services, Inc.**

Board Meeting Date: April 4, 2023
Project Name/Contract #: Pole Inspection, Test & Treat, NESC and Joint Use Inspections /20-081-S
Manager: Tyler Nice Ext. 7388
Executive Officer: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$560,000
Additional \$ Previously Approved: \$0
Spend over last approval: \$0
Amount this Request: \$230,000
% Increase over last approval: 41%
Resulting Cumulative Total: **\$790,000 (over 5 years)**

Contracting Method:

Method of Solicitation: Formal RFP
If applicable, basis for exemption: NA
Term of Agreement: Initial term is 1 year
Option to Renew? Yes, annually up to 5 years total
Approval for purchases "as needed": Yes No
Proposals Received: 3
Selection Basis: Highest Ranked Proposer
Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB is required to maintain poles in our transmission and distribution systems for regulatory compliance with Federal Energy Regulatory Commission (FERC), National Electrical Safety Codes (NESC) and Oregon Public Utility Commission (OPUC) requirements for system component quality and safety. The original contract included equipment inspections for the purpose of PUC compliance with transmission and distribution wooden poles through an inspection and test and treat program. This contract amendment will add scope and associated funds for the contractor to complete inspection and testing on EWEB's fleet of concrete transmission poles. These types of poles have been inspected per PUC requirements historically, however EWEB is seeking additional condition assessment data following determination through a study partnership with OSU around the life of these poles. The study concluded that these poles are seismically resilient and do not degrade purely associated with age, however actual condition using non-destructive methods and near view inspections is required to verify remaining life and condition.

Contracted Goods or Services

Existing services under the contract include: Wood Pole Inspection, Test & Treatment services, National Electrical Safety Code (NESC) Inspection, with an option to provide joint inspections at a later date, of up to an estimated 2,800 wood transmission and distribution poles, and 1,100 non-wood transmission and distribution poles (i.e. steel, concrete, fiberglass, ductile iron, etc.) each year.

Wood Pole inspections will locate damage caused by decay, fungi, insects, woodpeckers, fire, machinery, or other causes. The condition of crossarms and attachments including insulators, bolts, guy wires, and ground wires will be observed and reported. Inspection services include visual observations, excavating, drilling, and climbing activities. For wood poles that pass the inspections, fumigant treatment will be applied. For poles that are rejected during the inspection, EWEB staff will assess for repair or replacement. This work will remain in the contract as ongoing as-is.

The additional amendment includes a visual inspection of all concrete structures that shall be made from the ground line to the top for clearly visible defects. Partial excavation(s) will be performed at each structure to allow for assessment of the below grade conditions. Structures will be evaluated by means of visual assessment, physical evaluation, and measurements and categorized by structure condition. Unmanned Aircraft Systems will be used to collect images of the tops of structures.

NESC and Joint Use Pole Inspection will include detailed visual inspections on all poles and attachments for compliance with NESC and Oregon Public Utility Commission Safety Rules.

Purchasing Process

In April 2020, EWEB issued a formal Request for Proposals (RFP 20-081-S) for pole inspection, test & treatment, and NESC and Joint-Use Inspection Services. This solicitation was advertised on the Oregon Procurement Information Network (ORPIN).

Three proposals were evaluated and scored. Criteria and weighting included: ability and capability to perform the services (45%); project approach and reporting (25%); and pricing (30%). Osmose Utilities Services was selected as the highest ranked, responsive and responsible proposer. Osmose personnel assigned to this project are from the Eugene/Springfield and Portland areas. When this additional concrete pole structure inspection work was deemed required for EWEB’s asset condition and management purposes, it was determined to add this work to the contract because Osmose possesses this capability. Staff have not found any other companies in our region that can evaluate prestressed concrete poles. Additionally, Osmose has an engineering division that can develop repair solutions for poles found to have damage and they also have crews available that can make those required repairs.

Prior Contract Activities

EWEB Contract	Project Name (Description)	Board Approved	Project Duration (Start to Close)	Original Amount	Approved/Amended Amount to Date (Total)	Reason Code
1032-2018	Steel Structure Inspection	NA	8/8/18 - 12/1/18	\$134,687.20	\$134,687.20	

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 Osmose Utilities Services, Inc. for Pole Inspection, Test & Treat, and NESC and Joint Use Inspections. Approximately \$227,000 was planned for these services in the Electric Division 2023 O&M budget of \$9.3 million. Variances will be managed within the budget process and Board policy and will be included in future budget year development for 2024 through 2028 under EWEB’s existing internal budget planning processes.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

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

Board Meeting Date: April 4, 2023
Project Name/Contract #: Concrete Removal & Replacement Services / 20-208-PW/Group B
Manager: Mike Masters Ext. 7549
Executive Officer: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$192,000 (January 5, 2021)
Additional \$ Previously Approved: \$308,000 (November 2, 2021)
Spend over last approval: \$0
Amount this Request: \$700,000
% Increase over last approval: 140%
Resulting Cumulative Total: **\$1,200,000 (over 5 years)**

Contracting Method:

Method of Solicitation: Formal Invitation to Bid
If applicable, basis for exemption: NA
Term of Agreement: 5 years. Completion by January 6, 2026
Option to Renew? No
Approval for purchases "as needed": Yes No
Proposals/Bids Received (Range): 3 – (\$192,000 to \$254,000)
Selection Basis: Lowest Responsive and Responsible Bidder
Narrative:

Operational Requirement and Alignment with Strategic Plan

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

Additional Work Needed:

In January 2021, the Board approved two concrete services contracts: One for Group A (project under 100 sqf), and another for Group B (projects over 100 sqf). Due to unforeseen demand and a couple of large concrete projects for Group B work, the previously approved \$500,000 has been nearly reached in two years. Additionally, the City of Eugene now enforces the requirement for bringing sidewalk ramps, including driveway approaches, up to Americans with Disabilities Act (ADA) standards whenever existing concrete in these structures is disturbed. Staff is requesting an increase of \$700,000 for the Group B contract for a total estimated spend of \$1.2 million over 5 years.

Contracted Goods or Services

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

Purchasing Process

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

Prior Contract Activities

EWEB Contract	Project Name (Description)	Board Approved	Project Duration (Start to Close)	Original Amount	Approved/Amended Amount to Date (Total)	Reason Code
20-204-PW	Main Replacement at W. 36th	11-3-20	11-5-20 to 3-14-21	\$340,370	\$353,459	
20-133-PW	Willagillespie Water Main Replacement	8-4-20	8-13-20 to 2-1-21	\$526,230	\$624,536	SD
20-015-PW	Mill Street Restoration Work	N/A	1-21-20 to 2-4-20	\$10,197	\$11,193	

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 Pacific Excavation in the amount of \$700,000. Approximately \$3.8 million was planned for this type of construction activity in 2023 Water O&M/Capital budgets of \$32.4 million. Variances will be managed within the budget process and Board policy.