

**EUGENE WATER & ELECTRIC BOARD  
REGULAR SESSION**

**May 2, 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; Rod Price, Assistant General Manager; Karen Kelley, Chief Operations Officer, Lisa Krentz, Generation Manager; Mark Zinniker, Generation Engineering Supervisor; Jeremy Somogye, Generation Engineering Planner, Deborah Hart, Chief Financial Officer

**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**

Commissioner Schlossberg said she met with the Executive Director of the Eugene Parks Foundation, who requested EWEB participation in telling the story of water at their new park.

Commissioner Brown gave his compliments to the EWEB Fleet, brought up a story about water metrics on KEZI, and mentioned the City of Eugene's EV survey.

President Carlson discussed the Santa Clara Neighborhood Association, customer luncheons, the KidWind Challenge, and the LCOG Regular Meeting. She inquired if the Board would like an LCOG briefing. There was no consensus.

Mr. Price noted that language selection was now available on the EWEB website, the bill collection cycle was being shortened, and that EWEB had won first place in the 2023 NWPPA Safety Contest.

**Correspondence [8:31]**

President Carlson noted that the response to the pre-meeting question regarding the Annual Reserve Fund Status included a recommendation to remove example language from the Policy. Ms. Hart said that if the Board agreed that change could be included on the consent calendar next month; head nods were given by the Board.

Mr. Price put forth the Draft Resiliency Board Policy. Commissioner McRae wanted to see some metrics.

## **Public Input [13:27]**

**Tana Shepard** gave statistics regarding 4J classroom participation in climate programs.

## **Leaburg Decommissioning Action Plan (LDAP) Update [21:00]**

Lisa Krentz, Generation Manager; Mark Zinniker, Generation Engineering Supervisor and Jeremy Somogye, Generation Engineering Planner, presented a slideshow and answered Board questions.

## **BOARD ACTION ITEMS**

### **Approval of Consent Calendar – A, Minutes and Routine Contracts [32:40]**

#### **MINUTES**

1.
  - a. April 4, 2023 Executive Session
  - b. April 4, 2023 Regular Session
  - c. April 18, 2023 Work Session

#### **CONTRACTS**

2. Emery and Sons – for the construction of two 0.5 million-gallon (MG) Glass-Fused-to-Steel Water Storage Tanks at EWEB’s Shasta 975 Storage Site. \$2,865,000 (one-time) based on Formal Invitation to Bid.

#### **Action:**

**MOTION:** Vice-President 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 [32:58]**

#### **CONTRACTS**

3. Landmark Ford – for an increase in the use of a cooperative contract for Light Duty Vehicles. \$1.4 million (over 3-years 2022-2025, increased from \$0.8 million previously approved).

4. Northside Ford - for an increase in the use of a cooperative contract for Light Duty Vehicles. \$1.6 million (over 3-years 2022-2025, increased from \$0.8 million previously approved).

5. Univar Solutions – for the purchase of Liquid Caustic Soda. \$625,000 (over 5 years) based on Direct Negotiation.

#### **INTERGOVERNMENTAL AGREEMENT (IGA)**

6. City of Eugene – for the reservation of Wetland Mitigation Credit for Purchase from Coyote Prairie North Wetland Mitigation Bank. \$258,000 based on Direct Negotiation.

#### **RESOLUTIONS**

7. Resolution No. 2309 – Water Bond Supplemental Resolution.

8. Resolution No. 2310 - Annual Price Adjustment for Joint Use Fees (Effective June 1st).

Commissioner McRae requested that Item 7 (Resolution No. 2309 – Water Bond Supplemental Resolution) be pulled.

Commissioner Brown requested that Item 6, IGA with the City of Eugene be pulled.

**Action:**

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

**Action:**

**MOTION:** Following discussion, Commissioner Brown moved to adopt items 7 and 6 as presented. The motion passed unanimously, 5:0.

**GENERAL BUSINESS ITEMS**

**City of Eugene Liaison Update [37:05]**

Sonya Carlson, Board President and John Barofsky, Board Vice-President, presented.

**Annual Strategic Plan Review [40:20]**

Frank Lawson, General Manager, presented a slideshow and answered Board questions.

The decision by consensus was to bring the Annual Strategic Plan back as a Consent Agenda Item as presented.

**Quarterly Strategic & Operational Report for Q1, including Major Capital Project Updates [1:00:21]**

Rod Price, Assistant General Manager, and Karen Kelley, Chief Operations Officer, presented a slideshow and answered Board questions.

**Performance Evaluation Process for General Manager [1:43:53]**

EWEB Board of Commissioners

Commissioner Schlossberg wondered how other Boards handled the evaluation process.

Mr. Lawson offered to come back to the Board with options regarding the Evaluation Process.

**Future Board Agendas [1:55:14]**  
**May 16, 2023 Upriver Meeting Format**  
Rod Price, Assistant General Manager

The decision by consensus was to do introductions but not to include individual slides of the Board members.

The Board discussed the June 14th Work Session.

**Board Wrap Up [2:13:19]**

The Board discussed the upcoming Upriver meeting.

**Adjourn [2:23:37]**

President Carlson adjourned the Regular Session at 7:53 p.m.

*Recorded by Angela Kern, LCOG*

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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 a new contract with **Brenntag Pacific, Inc.** for the **Purchase of Solar Salt for Sodium Hypochlorite Generation.**

Board Meeting Date: June 6, 2023  
Project Name/Contract #: Solar Salt / 23-059-G  
Manager: Mike Masters Ext. 7549  
Executive Officer: Karen Kelley Ext. 7153

### **Contract Amount:**

Original Contract Amount: \$300,000  
Additional \$ Previously Approved: \$0  
Spend over last approval: \$0  
Amount this Request: \$300,000  
% Increase over last approval: NA  
Resulting Cumulative Total: **\$300,000 (Over 5.5 years)**

### **Contracting Method:**

Method of Solicitation: Formal Invitation to Bid (ITB)  
If applicable, basis for exemption: NA  
Term of Agreement: 5.5 years (June 7, 2023 – February 28, 2029)  
Option to Renew? No  
Approval for purchases “as needed”: Yes  No   
Proposals/Bids Received (Range): 3 (\$305.45 to \$370.00 per dry short ton)  
Selection Basis: Lowest Responsive and Responsible Bidder  
Narrative:

### Operational Requirement and Alignment with Strategic Plan

The onsite generation process for sodium hypochlorite requires approximately 175 dry short tons of solar salt, per year. Sodium hypochlorite is used to disinfect water. EWEB’s Water Filtration Plant maintains a 0.70 free chlorine residual at the point of entry to the distribution system using sodium hypochlorite. The practice meets the water quality standards of the U.S. Environmental Protection Agency (40 CFR Part 141 Subpart P) and the Oregon Health Authority (OAR 333-061).

### Contracted Goods or Services

The Board is being asked to approve a new contract with Brenntag Pacific, Inc. of Sante Fe Springs, California for the purchase of Solar Salt, used in the production of Sodium Hypochlorite at the EWEB Hayden Bridge Water Filtration Plant, on an as-needed basis. The overall contract cost estimate is based on historical and estimated usage. Purchases will be based on need and not on any specific annual quantity. The annual cost will be within the amount budgeted for that specific year.

Purchasing Process

This solicitation was advertised on the OregonBuys website for three weeks, and three bids were received. Brenntag Pacific, Inc. was deemed the lowest responsive and responsible bidder.

Bids Received

Vendor Name	City, State	Offered Price (per Dry Short Ton)
Brenntag Pacific, Inc.	Sante Fe Springs, CA	\$305.45
Univar Solutions USA	Portland, OR	\$347.00
Cascade Columbia Distribution, Co.	Seattle, WA	\$370.00

Prior Contract Activities

EWEB does not presently have a business history with Brenntag Pacific, Inc. As such, staff has reached out to references, provided by Brenntag Pacific, Inc., and have confirmed contract viability.

**ACTION REQUESTED:**

Management requests the Board approve a contract with Brenntag Pacific, Inc. for the purchase of Solar Salt. Approximately \$65,000 was planned for these goods in the 2023 Water Production budget of \$4.3 million. Variances will be managed within the budget process and Board policy.

## **EWEB Board Consent Calendar Request**

*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve a new contract with **Ferguson Enterprises, LLC** for **Brass Fittings**.

Board Meeting Date: June 6, 2023  
Project Name/Contract #: Low Lead Brass Fittings /23-053-G  
Manager: Mike Masters Ext.7549  
Executive Officer: Karen Kelley Ext. 7153

### **Contract Amount:**

Original Contract Amount: \$1,420,000  
Additional \$ Previously Approved: \$0  
Spend over last approval: \$0  
Amount this Request: \$1,420,000  
% Increase over last approval: NA  
Resulting Cumulative Total: **\$1,420,000 (Over 5 years)**

### **Contracting Method:**

Method of Solicitation: Formal Invitation to Bid  
If applicable, basis for exemption: NA  
Term of Agreement: 5 years (June 7, 2023 – June 8, 2028)  
Option to Renew? No  
Approval for purchases “as needed”: Yes  No   
Proposals/Bids Received (Range): 3 (\$1,417,674 - \$1,926,485)  
Selection Basis: Lowest Responsive and Responsible Bidder

Narrative:

### Operational Requirement and Alignment with Strategic Plan

The Utility purchases and installs brass fittings per EWEB standards. The durability of the brass fittings adds to the resiliency of the water distribution system and allows the organization to complete projects listed in the approved Water Master Plan. In this way, these fittings align with EWEB’s strategic plan. These fittings also are directly tied to Organizational Goal #1, Operational Effectiveness, by making it possible for us to complete daily work. Brass fittings are the products used for new service line connections and to repair existing service lines throughout EWEB’s water distribution system. They require very little maintenance once installed and are designed to last having the longest service life of any material on the market today while also including as much as 90% recycled material.

### Contracted Goods or Services

The Board is being asked to approve the purchase and delivery of brass fittings, ranging in sizes between ½” to 2” in diameter, to be installed throughout EWEB’s service area. The overall contract cost estimate is based on historical and estimated usage. Purchases will be based on need and not on any specific annual quantity. This five-year contract has a not to exceed amount of \$1,420,000.

Purchasing Process

A Formal Invitation to Bid (ITB) was posted on OregonBuys in April, 2023. Three bids were received and Ferguson Enterprises, LLC was deemed the lowest priced responsive and responsible bidder, capable of meeting EWEB’s delivery and lead time requirements.

Bids Received

Vendor Name	City, State	Offered Price
Ferguson Enterprises	Eugene, OR	\$1,417,674
Consolidated Supply	Eugene, OR	\$1,460,145
Core & Main	Lake Oswego, OR	\$1,926,485

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
22-187-G	Ductile Iron Fittings	2-7-23	2-15-23 to 2-9-28	\$1,315,300	New active contract within estimates	N/A
012-2018	Low Lead Brass Fittings	5-1-2018	5-2-18 to 6-9-23	\$860,000	\$853,500	N/A
022-2014	Dry Barrel Fire Hydrants	7-22-14	7-25-14 to 9-12-19	\$275,000	\$310,000	*

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

\* Yearly manufacturer price increases and additional materials resulted in a higher spend than anticipated.

**ACTION REQUESTED:**

Management requests the Board approve a contract with Ferguson Enterprises, LLC for brass fittings. Approximately \$3.8 million of the \$32.4 million 2023 Water Capital budget was planned for main replacement and service replacement work. 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 with **Sensus USA Inc.** for the **Advanced Metering Infrastructure (AMI) Implementation project.**

Board Meeting Date: June 6, 2023  
 Project Name/Contract #: Advanced Metering Infrastructure Implementation/ 013-2011  
 Manager: Simrat Khalsa Ext. 7183  
 Executive Officer: Rod Price Ext. 7122

### Contract Amount:

Original Contract Amount: \$20,500,000 (February 17, 2015)  
 Additional \$ Previously Approved: \$2,600,000 (November 2, 2020)  
 Spend over last approval: \$5,500,000  
 Amount this Request: \$10,000,000  
 % Increase over last approval: 43%  
 Resulting Cumulative Total: **\$33,100,000 (over 10 years)**

### Contracting Method:

Method of Solicitation: Formal RFP  
 If applicable, basis for exemption: NA  
 Term of Agreement: Initial Term 8 years. Extended 2 more years (through 3/5/25)  
 Option to Renew? No  
 Approval for purchases "as needed": Yes  No   
 Proposals/Bids Received (Range): 14/RFP Process led to \$ Proposals from Top 4 (\$24,442,510 – 32,527,988)  
 Selection Basis: Highest Ranked Proposer

Narrative:

### Operational Requirement and Alignment with Strategic Plan

The Board is being asked to approve additional funds for the Advanced Metering Infrastructure (AMI) Sensus Contract. The majority of these funds are to cover the additional electric and water meters & registers purchased over the term of this project to-date, and for those remaining to be purchased to carry EWEB through final deployment. In 2015 the board approved the Sensus contract that assumed the purchase of 89,000 electric meters and 52,000 water meters plus an equal number of smart modules. To-date, EWEB has purchased roughly 102,500 electric meters, and 49,500 water meters and 58,000 modules, with an additional 864 electric meters, 15,750 water meters and 15,200 smart modules needed to purchase to reach final deployment.

	Original Contract Qty	Current services	Ordered to date	Additional required for upgrades
Electric Meters	89,000	98,548	102,500	864
Water Meters	52,000	63,374	49,500	15,750
Water modules	52,000	63,374	58,000	15,200

This represents roughly a 15% increase over the original 2015 assumptions for electric meter ordering, and a 30% increase over the original 2015 assumptions for water meter (and smart module) ordering. This increase is attributed to overall EWEB customer growth, as well as general maintenance and replacements that have occurred over the 8-year timeline of the project.

Other factors that contributed to the increase in spend includes emergent projects from 2019 and 2020 for AMI IS Improvements and AMI Facilities upgrades related to the 2018 project shifting to the opt-out approach. These projects included additional services to reconfigure existing system integrations, upgrade of the RNI software, and the purchase and installation of Sensus Base Stations upgrades.

#### Contracted Goods or Services

The additional funds requested will be used to purchase remaining water and electric meters and modules required to complete full deployment of the AMI project.

#### Purchasing Process

In March 2011, staff issued a multi-phase Request for Proposals for AMI Implementation. In the first phase (Request for Qualifications) staff received and evaluated fourteen Statements of Qualifications from AMI firms. Six firms were determined as "Qualified". In July 2011, staff issued the second phase (Request for Technical and Cost Proposals) to the six qualified firms. Staff received and evaluated four responses to the request for technical and cost proposals. After evaluation of the technical and cost proposals, the three highest-ranked firms were invited to present scripted demonstrations of their AMI systems. In January 2012, staff completed the evaluation process and Sensus, USA was determined to be the Highest-Ranked Proposer.

In February 2012, staff entered contract negotiations with Sensus, USA to obtain written agreement on the statement of work and the final contract price. In October 2013, the Board adopted Resolution 1322 which approved the creation and execution of an AMI implementation strategy 2, known as "opt-in". Staff negotiated a revised contract based on this strategy and the Board approved the Contract in February of 2015.

#### Prior Contract Activities

NA

#### **ACTION REQUESTED:**

Management requests the Board approve an increase to the contract with Sensus USA Inc. for the Advanced Metering Infrastructure (AMI) Implementation project. Approximately \$2 million was planned for these goods and services in the 2023 Capital Electric Budget of \$74.2 million and \$2 million was planned for these goods and services in the 2023 Capital Water Budget of \$32.5 million respectively. Variances will be managed within the budget process and Board policy.