

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve additional funds for **Stone Creek Operation and Maintenance** services with **Energy Northwest**.

Board Meeting Date:	July 8, 2025
Project Name/Contract #:	Stone Creek Hydroelectric Project services / 20-105-IGA
Manager:	Lisa Krentz Ext. 7450
Executive Officer:	Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount:	\$2,000,000 (Board approved May 5, 2020)
Additional \$ Previously Approved:	\$0
Spend over last approval:	\$485,000 (Amended November 2024)
Amount this Request:	\$3,550,000
% Increase over last approval:	177.5%
Resulting Cumulative Total:	\$5,550,000 (over approximately 10-years)

Contracting Method:

Method of Solicitation:	Direct Negotiation
If applicable, basis for exemption:	Intergovernmental Agreement
Term of Agreement:	Perpetual unless terminated
Option to Renew?	Yes. Contract automatically renews every year unless terminated
Approval for purchases “as needed”:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Proposals/Bids Received (Range):	NA
Selection Basis:	NA

Narrative:

The 12 MW Stone Creek Hydroelectric Project generates approximately 54,000 MWh annually. Due to its remote location—over three hours from Eugene—EWEB contracts out its operation and maintenance (O&M) activities. The run-of-the-river facility includes a diversion structure at the confluence of Stone Creek and the Oak Grove Fork of the Clackamas River, a fish ladder, and a powerplant.

Since 2020, Energy Northwest, a governmental agency based in Richland, Washington, has provided O&M services. Their staff are highly familiar with the project, delivering reliable, responsive, and high-performing service. EWEB has found their expertise and dependability to be essential in maintaining the integrity of this investment.

Given the project’s complexity, regulatory requirements (FERC license #5264), and remote location, continued service by an experienced provider is critical. Transitioning to a new contractor unfamiliar with the plant could risk operational downtime, increased EWEB oversight, and increases the risk of regulatory deviations.

Staff recommend continuing the partnership with Energy Northwest through 2030, for an additional estimated cost of \$3.55 million over 5 years and 6 months (including a 2% annual escalation). This extension includes daily operations, preventive maintenance, minor repairs, alarm response, and capital improvement support, covering all facilities from the diversion dam to the Harriet Lake substation.

Operational Requirement and Alignment with Strategic Plan

This contract supports EWEB's 2018–2028 Strategic Plan and 2025 Organizational Goal #1: Operational Efficiency and Effectiveness, ensuring safe, reliable service delivery while protecting EWEB's infrastructure investment.

Contracted Goods or Services

Operation of the Stone Creek Hydroelectric Project (FERC license #5264), including daily inspections, preventive maintenance, minor equipment repair and replacement, and alarm response and diagnostics. The Stone Creek facilities are all located between the Project diversion dam to the Harriet Lake substation.

Purchasing Process

EWEB works with Energy Northwest in the operation of the Portland Water Bureau's Bull Run power plants for the City of Portland. When the previous operator indicated that they would no longer operate Stone Creek for EWEB, EWEB reached out to Energy Northwest to gauge their interest in establishing an IGA for the work. EWEB subsequently toured several Energy Northwest operated hydroelectric facilities and then met to negotiate the terms of the IGA.

Prior Contract Activities

This is EWEB's first IGA with Energy Northwest.

ACTION REQUESTED:

Management requests the Board approve an increase in funding for the Intergovernmental Agreement with Energy Northwest for the operation and maintenance of the Stone Creek Hydroelectric Facility. Approximately \$480,000 was planned for these services in the Generation Contracts Department 2025 budget of \$4.8 million. Variances will be managed within the budget process and Board policy.

BUDGET CATEGORY: Electric O&M, Generation Division, Generation Contracts Department