

EUGENE WATER & ELECTRIC BOARD
REGULAR MEETING
July 8, 2025
5:30 p.m.

Commissioners Present: President, John Barofsky; Vice President, Mindy Schlossberg; and Commissioners Sonya Carlson (online), John Brown, and Tim Morris

Commissioners Absent: None

Others Present: Frank Lawson, EWEB General Manager; Deborah Hart, Assistant General Manager & Chief Financial Officer; Karen Kelley, Chief Operations Officer; Brian Booth, Chief Energy Resource Officer; Kelly Hoell, Strategy Advisor; and Quentin Furrow, Purchasing and Warehouse Supervisor.

REGULAR SESSION

Call to Order [00:00:01]

President John Barofsky called the meeting to order at 5:30 p.m.

Agenda Check [00:01:16]

General Manager Lawson said the two agenda items related to the BPA Product Final Recommendation and Preview of Proposed Energy Resource Study (ERS) Action Plan would be covered as one agenda item.

Items from Board Members and General Manager [00:01:21]

President Barofsky announced the McKenzie Watershed Council was hosting a tour on Thursday of Horse Creek and other creeks impacted by the Holiday Farm Fire and said EWEB staff Susan Fricke had additional information. He presented a certificate of appreciation, signed by Board members, recognizing 15 years of General Manager Lawson's service at EWEB.

President Barofsky stated he had received an e-mail from the Director of the Upper Willamette Soil and Water Conservation District and would ask the Board later if the subject should be scheduled for discussion.

Vice President Schlossberg thanked staff for briefing her about the Board work she had missed in her absence.

Commissioner Brown praised the condition of EWEB's Fleet and the work of EWEB field staff.

General Manager Lawson announced it was the 75th anniversary of the commissioning of the Hayden Bridge Water Treatment Facility and thanked past and present Board and staff members for their caretaking of the facility, presently EWEB's sole source of drinking water.

Correspondence (related documents provided in board packet) [00:07:15]

- EWEB Lead and Copper Rule Revisions Compliance Update
General Manager Lawson stressed that the system was in great shape and said EWEB began its assessments decades ago and credited the Board's oversight.

President Barofsky said he was encouraged by the update as EWEB far exceeded federal guidelines.

- EWEB Board Policy SD20 Annual Enterprise Risk Management (ERM) Update
 - July 2025 State Legislative Update
- General Manager Lawson said Jason Heuser, Public Policy and Government Affairs Director would appear at the September meeting to provide a recap of the session and discuss emerging issues for a short session in 2026.

Public Input [00:10:31]

The following testimony was provided to the EWEB Commissioners: The Board neither endorses nor opposes, or is responsible for the accuracy of content, of testimony including any links or references provided.

1. Eric Dziura, a resident of Ward 6 and an EWEB customer, stated he attended a hearing in the federal court case, *Cascadia Wildland v. EWEB*, and that the judge commented on the complicated nature of the case. He said he understood the Board was constrained in commenting about the case but shared his hope that the case would be resolved without too much ratepayer expense. He also referred to Resolution 2515 on the Board's meeting agenda as a big milestone, and said he appreciated the consideration of the issues on behalf of the ratepayers and believed there was justification for approval.

2. Rachel McKinnis, a resident of Ward 7 and an EWEB customer, shared concerns about and stated opposition to the installation of smart meters and the imposition of additional fees on ratepayers for manual meter reading. She asked the Board to review the physiological impacts of the meter technology.

BOARD ACTION ITEMS AND GENERAL BUSINESS ITEMS [00:18:16]

Approval of Consent Calendar A – Minutes and Routine Contracts (related documents provided in board packet) [00:18:16]

MINUTES

1. June 3, 2025, Regular Session

CONTRACTS

2. LX International America, Inc. - for a 38 MVA Transformer. \$1,861,000 based on Formal Request for Proposals.

3. Owen Equipment – for the use of a cooperative contract for the Purchase of a Vactor Manufacturing Truck Mounted Hydro-Excavator. \$688,000.

4. Verizon Wireless - for the continued use of a cooperative contract for the purchase of wireless voice, data, and accessories. \$1,250,000 (original contract amount \$1,000,000, resulting cumulative total \$2,250,000).

MOTION: COMMISSIONER BROWN MOVED TO APPROVE CONSENT CALENDAR A.

The motion passed unanimously, 5:0; President Barofsky, Vice President Schlossberg, Commissioner Carlson, Commissioner Brown, and Commissioner Morris voting in favor, with no abstentions.

Approval of Consent Calendar – B, Nonroutine Contracts and Other Consent Items (related documents provided in board packet) [00:18:54]

Commissioner Brown requested that Item 7, Garten Services, Inc. be pulled.

CONTRACTS

5. Cornforth Consultants, Inc. – for additional funds for Dam Safety Engineering Services. \$1,000,000 (includes spend over last approval) based on Formal Request for Proposals – Qualifications Based Selection (QBS) (original contract amount \$3,000,000, resulting cumulative total: \$4,000,000).

6. Energy Northwest – for additional funds for Stone Creek Operation and Maintenance services. \$3,550,000 (includes spend over last approval) based on Direct Negotiation (original contract amount \$2,000,000, resulting cumulative total: \$5,550,000 (over approximately 10 years).

7. Garten Services, Inc. – for Janitorial Services for the Roosevelt Operations Center and Hayden Bridge Water Filtration Plant. \$2,300,000 (over 5 years) based on Direct Negotiation.

8. GE Grid Solutions LLC – for a contract and additional funds for JMUX Replacement Equipment LAST BUY Purchase Options. \$205,000 based on Direct Negotiation (Original \$140,000 not previously approved by the Board plus an increase of \$65,000, resulting cumulative total: \$205,000).

9. Link Oregon – for additional funds for Internet Services. \$35,000 based on Direct Negotiation (original contract amount \$225,000, resulting cumulative total: \$260,000).

10. Riverbend Materials – for As Needed Vac Truck Disposal Services. \$800,000 (over 5 years) based on Direct Negotiation / Sole Source.

INTERGOVERNMENTAL AGREEMENTS

11. McKenzie Fire and Rescue (MFR) – for additional funds for the extended McKenzie Valley Fuels Reduction Project. \$125,000 based on Direct Negotiation – Intergovernmental Agreement (original amount \$325,000 resulting cumulative total \$450,000 over 4-years).

12. Oregon Department of Forestry (ODF) – for additional funds for the extended McKenzie Valley Fuels Reduction Project. \$125,000 based on Direct Negotiation – Intergovernmental Agreement (original amount \$325,000, resulting cumulative total: \$450,000 (Over 4-Years).

RESOLUTIONS

13. Reserve Fund Status and Transfers – Use of Reserves and Revisions to Financial Policies

Resolution No. 2512 - Update to Financial Policies

Resolution No. 2513 - Highest & Best Use of Cash/Reserves/Transfers

14. Resolution No. 2514 to limit the use of EWEB's billing and collection services to electricity, drinking water, and or services required by City Charter or applicable law through June 30, 2029.

MOTION: VICE PRESIDENT SCHLOSSBERG MOVED TO ADOPT CONSENT CALENDAR B WITH ITEM NUMBER 7 REMOVED.

The motion passed unanimously, 5:0; President Barofsky, Vice President Schlossberg, Commissioner Carlson, Commissioner Brown, and Commissioner Morris all voting in favor, and no abstentions.

ITEMS REMOVED FROM THE CONSENT CALENDAR [00:19:44]

Item 7, Garten Services, Inc.

Commissioner Brown reviewed the \$2.3 million five-year cost and said he wanted to be an advocate for the ratepayer and review this contract.

General Manager Lawson stated that in-house options had been discussed in the past and asked staff about an option for a one-year conditional approval while internal versus external costs were reviewed. Purchasing and Warehouse Supervisor Quentin Furrow affirmed that it was a feasible option.

President Barofsky voiced his support and requested that the review include operational impacts and union representation and stressed that he was not implying the service was substandard, only that the fiscal impacts needed review.

MOTION: COMMISSIONER BROWN MOVED TO AMEND ITEM NUMBER 7 TO A ONE-YEAR CONDITIONAL CONTRACT.

The motion passed unanimously, 5:0; President Barofsky, Vice President Schlossberg, Commissioner Carlson, Commissioner Brown, and Commissioner Morris all voting in favor, and no abstentions.

MOTION: COMMISSIONER BROWN MOVED TO APPROVE AMENDED ITEM NUMBER 7.

The motion passed unanimously, 5:0; President Barofsky, Vice President Schlossberg, Commissioner Carlson, Commissioner Brown, and Commissioner Morris all voting in favor, and no abstentions.

ORG. GOAL #3 – BPA Product Final Recommendation & Preview of Proposed Energy Resource Study (ERS) Action Plan, and Resolution No. 2515 Authorizing GM to Finalize and Execute BPA Contract (related document provided in board packet) [00:30:08]

General Manager Frank Lawson, AGM & Chief Financial Officer Deborah Hart, and Chief Energy Resource Officer Brian Booth introduced this item with a slide presentation and affirmed that Board discussions on components of the contract had occurred over the last several years. Mr. Lawson noted there were originally four product choices, none considered adverse, and staff had narrowed it down to two, and the decision process included customer surveys, concept papers, focus group, and a negotiated effort between EWEB, BPA, and affiliated trade organizations over the last five years. He thanked the Board for their guidance, as well as Finance, Energy, and Customer Services staff, and noted it was a \$2.5 billion decision over the next 20 years.

Members of the Board made statements in support of the resolution, and thanked staff and leadership.

President Barofsky received affirmation from Mr. Lawson that EWEB would be able to sell surplus BPA power and that 140 other utilities were going through the same process at the same time. Chief Energy Resource Officer Brian Booth affirmed that staff remained enthusiastic about this product.

MOTION: VICE PRESIDENT SCHLOSSBERG MOVED TO ADOPT RESOLUTION 2515, AUTHORIZING THE GENERAL MANAGER, OR DESIGNEE, TO EXECUTE THE BLOCK WITH SHAPING PLUS PEAK LOAD VARIANCE SERVICE AGREEMENT FROM THE BONNEVILLE POWER ADMINISTRATION.

The motion passed unanimously, 5:0; President Barofsky, Vice President Schlossberg, Commissioner Carlson, Commissioner Brown, and Commissioner Morris all voting in favor, and no abstentions.

2026 Integrated Capital and Long-Term Financial Plans (related document provided in board packet) [00:54:55]

General Manager Frank Lawson, AGM & Chief Financial Officer Deborah Hart, Chief Operations Officer Karen Kelley, introduced this agenda item with a slide presentation of EWEB's 10-year financial forecast, used in EWEB's annual budget process. Mr. Lawson stated the new format would better illustrate how targeted revenue and savings related to rate increases, and how rate increases could be maintained close or near the level of inflation, as directed by the Board.

Commissioner Brown asked why Springfield was not on the list of comparable municipalities, and about the assumption for production from the Walterville hydroelectric project. Ms. Hart replied that the census data used did not capture Springfield in the same way as Eugene. Mr. Lawson added that staff could add or subtract comparable cities. Ms. Hart said that Walterville will be out of service until 2027, and some costs for the repair of the forebay were included in the Plan. Mr. Lawson said Walterville production would not occur until 2028, so that was not included.

Commissioner Brown asked about the renovating or decommissioning of Santa Clara reservoir. Ms. Hart replied there had been no decision yet.

Vice President Schlossberg asked if *household income* data included student income. Ms. Hart replied that the census data captured student income if they resided outside UO dormitory property. Mr. Lawson added that students were sometimes included in EWEB's limited income assistance programs, and the inclusion categories were being reviewed.

Vice President Schlossberg asked if EWEB was deferring some of the water transmission work because of cost savings or other reasons. Ms. Kelly replied that there were rate impacts they were continuing to investigate. Mr. Lawson added that EWEB was approaching the issue from a replacement vs operational cost perspective. He said EWEB tried to find a rate target comfortable to the Board and manage the financials.

Commissioner Morris stated that household income data was available for *homeowner* households and asked if EWEB tracked renter households. Mr. Lawson acknowledged that affordability was an important part in the development of EWEB programs and rates, and part of the discussion.

Commissioner Carlson agreed with Springfield being included as a comparator. She said that in view of an increase in stormwater fees and financial safety nets evaporating for residents, EWEB may need to review its practices. She said massive federal cuts would have a wide-reaching impact on customers and combined with layoffs, financial safety nets may be gone within 6 to 8 months. Regarding comparator utilities, she noted that EWEB had regulatory obligations that smaller utilities did not, and suggested that

EWEB consider additional lobbying to see if there are regulations or rules that can be lightened. She thanked staff for their work and for separating out the secondary water source as a separate discussion.

President Barofsky stated he would like to see the list of projects being eliminated from the financial forecast that would lead to cost savings. Mr. Lawson replied that the risk-based projects would be identified by staff and reviewed first.

President Barofsky stated the McKenzie Watershed recovery fee would sunset in 2026, and he would like to discuss a water enhancement fee in lieu of a rate increase. Mr. Lawson replied he would schedule the discussion, and it would need to review the creation of fees for activities that should be the normal work of the organization and thus be rate based

Commissioner Brown voiced strong support for the watershed fee or rate discussion.

Break. [01:29:15]

Review of Annual Organizational Goals (Potential Revisions) (related document provided in board packet) [01:39:15]

General Manager Frank Lawson and Strategy Advisor Kelly Hoell provided a slide presentation and stated that management was proposing new 2025 Organizational Goals based on early implementation of a strategic alignment and deployment tool and a sustainable business management system. Mr. Lawson said it was also based on the Board's December 2024 guidance and feedback, and subsequent guidance received in January and February 2025.

Mr. Lawson described 34 milestone deliverables and activities that were in progress to effectuate the goals. He said he would like to receive Board member reaction to the use of the goals, receive comments and concerns, and preferred formats, and hoped the Board could approve the goals in August.

Vice President Schlossberg said she appreciated how the detail could improve measurements and that it was more transparent and dynamic.

Commissioner Morris stated he agreed with Vice President Schlossberg and said the document provided more clarity about intended accomplishments.

Commissioner Brown said he supported moving forward and seeing how it worked out.

Commissioner Carlson appreciated that the goals would make it a more functional document for staff. She asked if the Board would continue to receive quarterly reports, which she preferred. Mr. Lawson affirmed quarterly reports would continue, including reporting required by policy such as a capital report and a contracts report, as well as operational dashboards associated with safety, reliability, financial, and compliance updates, and progress the organization is making on its annual goals.

Commissioner Carlson asked if Goal 8 pertaining to rentals was still part of the plan. Mr. Lawson replied yes and that in August he would provide more of a road map about that.

President Barofsky restated one of the intents was to engage employees to foster a sense of ownership and participation and it looked great, but he would be looking to see how it was accepted throughout the organization by employees. He asked Ms. Hoell for her perspective on the process. Ms. Hoell stated she was excited about the new opportunities to increase the clarity of the organization's process. She said the

new format would provide important moment-in-time information should the landscape become more volatile and uncertain.

Future board agendas (related document provided in board packet) [02:26:53]

Vice President Schlossberg asked if the public input agenda item could be scheduled in such a way that it matched up better with the time shown on the agenda. Mr. Lawson replied yes, and he would investigate that.

Commissioner Brown asked about the plan to discuss Systems Development Charges (SDCs) with the developer community. Mr. Lawson replied the Board could have a discussion and then conduct outreach when an implementation plan is developed.

President Barofsky stated he would be absent in September. He referred to the email he had received from the Upper Willamette Soil and Water Conservation District and asked whether the topic could be discussed in August to obtain additional information from the District and from Finance staff, related to property acquisition impacts and stewardship. Mr. Lawson replied he could present the impact information and added that the letter was specific about the property and purpose.

Board Wrap Up [02:32:50]

There were no additional comments.

Adjourn [02:33:15]

President Barofsky adjourned the meeting at 7:50 p.m.

Recorded by Pam Berrian, LCOG

Assistant Secretary

President