

EUGENE WATER & ELECTRIC BOARD
WORK SESSION
June 17, 2025
5:30 p.m.

Commissioners Present: President, John Barofsky; and Commissioners Sonya Carlson, John Brown, and Tim Morris

Commissioners Absent: Vice President, Mindy Schlossberg

Others Present: Frank Lawson, General Manager; Deborah Hart, Assistant General Manager/Chief Financial Officer; and Brian Booth, Chief Energy Resource Officer

WORK SESSION

Call to Order [00:00:00]

President Barofsky called the work session to order at 5:30 p.m.

ORG. GOAL # 3 – BPA Product Recommendation [00:02:04]

General Manager Frank Lawson, Assistant General Manager/Chief Financial Officer Deborah Hart, and Chief Energy Resources Officer Brian Booth presented information about the Bonneville Power Administration (BPA) “Provider of Choice” Product Recommendation via PowerPoint presentation.

Mr. Lawson provided relevant background information, including a BPA product choice and energy resource study (ERS) timeline extending from February 2024 through December 2025. He described BPA product choice management considerations including portfolio economics, business model impacts, and qualitative assessments. Mr. Lawson explained that they initially identified four leading BPA product options. Of the four, the following two options were identified as the top candidates: Load Following and Block with Shaping plus Peak Load Variance Service (PLVS). He referenced two graphs depicting the differences between Load Following versus Block with Shaping plus Peak Load Variance Service (PLVS) during peak events.

Mr. Lawson stated that while their initial leaning was Load Following, management’s revised recommendation is to execute a contract with BPA with the product features described as Block with Shaping initially supplemented with a Peak Load Variance Service (PLVS). He provided further details about management’s refined understanding of the two options. He outlined the benefits of Block with Shaping (plus PLVS) and Reexamining Access to Capacity:

Block with Shaping (plus PLVS)

- Significant Federal Access
- Better Cost Improvement Potential
- Greater Operational Flexibility
- Increased Qualified Uncertainty Mitigation Opportunities
- Comparable Contractual Risk(s)
- Overall better Strategic Alignment (local community alignment/reliance)
 - Economic Development

- Electrification
- Distributed Generation
- System Optimization

Re-Examining Access to Capacity

- Load Following cannot easily value demand-response or local capacity
- Load Following has minimal exposure to “tight” capacity markets
- Capacity “countermeasures” (contracts & demand response opportunities) have been identified
- Tangible countermeasures are available under Block with Shaping & Peak Load Variance Service to:
 - Improve total contract cost
 - Reduce uncertainty/mitigate volatility
 - Limit capacity market “tightness” (i.e. worst-case downside)

He presented a bar graph depicting a 2044 Non-Federal Resources Portfolio Comparison, and noted the following:

- Adding local capacity/demand response reduces/eliminates the need for EWEB to invest in additional peaking plants
- Still need wind and solar to fill energy needs
- With capacity needs met, Block with Shaping and Load Following have similar portfolio needs

Mr. Lawson, Mr. Booth, and Ms. Hart responded to questions from the Board of Commissioners.

Following a discussion, the Board expressed their general support for the recommendation of Block with Shaping plus Peak Load Variance Service (PLVS).

Mr. Lawson is scheduling a meeting with Vice President Schlossberg to discuss the BPA product choice recommendation.

Adjourn [01:30:33]

President Barofsky adjourned the work session at 7:00 p.m.

Recorded by Terah Van Dusen, LCOG

Assistant Secretary

President

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

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve additional funds for engineering design services with **David Evans and Associates, Inc.** for the **Jessen Substation Rebuild**.

Board Meeting Date:	August 5, 2025
Project Name/Contract #:	Design for Jessen Substation Rebuild / 23-250-Q
Manager:	Tyler Nice Ext. 7419
Executive Officer:	Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount:	\$580,000	(February 6, 2024)
Additional \$ Previously Approved:	\$0	
Spend over last approval:	\$77,225	(Invoice total through June 30, 2025)
Amount this Request:	\$170,000	(Includes spend over last approval)
% Increase over last approval:	29.3%	
Resulting Cumulative Total:	\$750,000	

Contracting Method:

Method of Solicitation:	Formal Request for Proposal
If applicable, basis for exemption:	NA
Term of Agreement:	Completion by May 2026
Option to Renew?	No
Approval for purchases “as needed”:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Proposals/Bids Received (Range):	3 – (\$573,954 to \$593,037)
Selection Basis:	Highest Ranked Proposer
Narrative:	

Operational Requirement and Alignment with Strategic Plan

The Board is being asked to approve additional funds for the engineering consulting services contract with David Evans and Associates, Inc. for the Jessen Substation Rebuild project.

Staff incorporated lessons learned from Currin Substation’s Rebuild and thus increased the scope of work of David Evans and Associates, Inc. to improve on challenging aspects of Currin’s design and construction and ensure the Jessen Substation construction and long-term viability is to the needs of the power system and community. These design aspects will also reduce field change orders and cost compared to if these were added during the construction phase of the project. These items include adding transmission line changes into the design contract, changing the control house from a prefabricated building to an onsite constructed building (to allow EWEB more control of the schedule by not relying on an equipment manufacturer exclusively), and updating various lessons learned regarding design changes found during Currin’s rebuild.

Contracted Goods or Services

The consultant will provide engineering services, broken into Task Orders (TO) that will include general project management, planning, civil/mechanical/electrical design, a geotechnical study, protection and control design, development of construction specifications, engineering support during construction, and research/coordination with City of Eugene for permitting. Additional funding will be used for:

- Various design standard changes following the completion of Currin Substation (\$21,000),
- Additional TO have been added to add transmission line design adjacent to Jessen Substation (\$12,500),
- Architectural and engineering design of a control building (\$134,753).

These additional TO are being added to address specific challenges associated with the design and construction of Currin Substation that will be avoided, resulting in a more cost effective, reliable and higher quality project.

Purchasing Process

Staff issued a formal Request for Proposals on November 15, 2023, and additionally sent notification of the solicitation directly to four companies. The solicitation was posted on the state of Oregon's solicitation site OregonBuys. Three proposals were received and all were found to be Responsive and Responsible. David Evans and Associates earned the highest number of points and was awarded the contract.

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
23-104-Q	On-Call Electrical Engineering Consulting	NA	6-30-23 to 6-27-28	\$95,000	\$95,000	
18-2683Q	On-Call Electrical	NA	6-28-18 to 7-1-21	\$30,000	\$95,000	AW
19-180-Q	Deer Creek T-Line Modification	NA	12-16-19 to 1-31-20	\$15,000	\$23,455	AW
Reason Code: AM = Additional Materials, AW = Additional Work, EW= Emergency Work, SD = Staff Directed, UC = Unforeseen Conditions, Other						

18-2683Q – EWEB decided to use on-call contract for additional jobs.

19-180-Q – Modified design to relocate structures 23 and 29 and rotate structure 23.

ACTION REQUESTED:

Management requests the Board approve additional funds for the contract with David Evans and Associates, Inc. for engineering design services. Funds for the Jessen project are budgeted at \$10.8 million in the Electric Capital Type 2 budget. Variances will be managed within the budget process and Board policy.

BUDGET CATEGORY: Electric Capital, Type 2, Jessen Substation

EWEB Board Consent Calendar Request

For Cooperative Contracts

The Board is being asked to authorize the use of a cooperative contract for Vendor Managed and Inventory Logistics Management Solutions for Fleets and Facilities with NAPA Genuine Parts Company dba TWGW, Inc.

Board Meeting Date: August 5, 2025

Project Name/Contract #: Vendor Managed and Inventory Logistics / 25-126-GS

Manager: Scott Milovich Ext. 7408

Executive Officer: Karen Kelley Ext. 7153

Expected Spend: \$10.2 million (6-years, December 30, 2025 – December 3, 2031)

Narrative:

The Board is being asked to authorize the use of the NAPA Integrated Business Solutions Agreement #090624-GPC, a cooperative contract through Sourcewell, for the supply of certain automotive parts as well as Integrated Business Solutions (IBS) to manage, maintain and distribute the parts via the in-house NAPA storeroom.

Operational Requirement and Alignment with Strategic Plan

It is essential for the utility to have safe and reliable transportation and equipment to meet the needs of our customers while ensuring the safety of employees. EWEB's Fleet Services provides the management and maintenance of over 440 vehicles, power-operated equipment and trailers that make up the EWEB fleet. With such a wide variety of vehicles and equipment in service, having a robust parts inventory is critical to keeping the fleet operational and safe.

The U.S. bureau of Labor Statistics has shown a 15% average per year increase in motor vehicle parts since 2022. During that time EWEB Fleet operations has averaged an 11.5% increase per year. With the anticipated tariffs (up to 25%), growing fleet count, aging the fleet to maximize the useful life cycles, along with the spike in commodity cost affecting replacement part(s) manufacturing; the transportation sector is still expecting higher-than-normal annual cost for parts and materials to continue over several years.

In 2016, EWEB's Fleet Services entered into an agreement with NAPA IBS to reduce budgets and increase efficiencies in the Fleet operation. Since implementing the IBS program, EWEB Fleet Services has been able to establish a cost-effective strategy for our parts needs. By taking these factors into account, the IBS program has helped to minimize performance disruptions, promote efficiency, reduce carrying costs, and increase staff productivity, ultimately, producing a successful spare part management program for EWEB Fleet Services.

Purchasing Process

Sourcewell, a State of Minnesota local government agency and service cooperative, issued RFP 090624 on July 16, 2024, to establish a national cooperative contract for Vendor Managed Inventory and Logistics Management Solutions for Fleets and Facilities with related parts, supplies, and services. This solicitation was published in the Daily Journal of Commerce in Oregon on July 17, 2024. Sourcewell awarded a contract to NAPA Genuine Parts Company on December 17, 2024. This contract expires on December 3, 2028, and may be extended up to three (3) additional one-year periods, until December 3, 2031.

ACTION REQUESTED:

Management requests the Board authorize the use of a cooperative contract for Vendor Managed Inventory and Logistics Management Solutions for Fleets and Facilities with NAPA Genuine Parts Company dba TWGW, Inc. Approximately \$1.3 million was planned for these goods and services in the Support Services 2025 budget of \$19 million. Variances will be managed within the budget process and Board policy.

BUDGET CATEGORY: Support Services O&M, Fleet, EWEB Equipment