

**EUGENE WATER & ELECTRIC BOARD
EXECUTIVE SESSION #1
4200 ROOSEVELT BOULEVARD / VIRTUAL
November 7, 2023**

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

Commissioners Absent: Commissioner Matt McRae recused himself.

Others present: Frank Lawson, General Manager; Rod Price, Assistant General Manager; Lena Kostopulos, Chief Workforce Services Officer; Sarah Gorseger, Business Continuity Manager; Ken Baldwin, Business Continuity Enterprise Program Manager; Deborah Hart, Chief Financial Officer; Julie McGaughey, Chief Customer Officer; Owen Morgan, IT Support Specialist; Travis Knabe, Chief Information Officer; Holly Shugart, Administrative Assistant; Aaron Orlovski, Communications Specialist; Jeannine Parisi, Business Continuity Strategic Program Manager; Anne Kah, Administrative Services Manager; Thomas Grim and Kevin Kiely of Cable Huston, Alan Torres, Register-Guard Local Government Reporter

EXECUTIVE SESSION

The Executive Session was called to order at 5:00 p.m.

Pursuant to ORS 192.660(2)(h)

To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

President Carlson adjourned the Executive Session meeting at 5:18 p.m.

Assistant Secretary

President

**EUGENE WATER & ELECTRIC BOARD
EXECUTIVE SESSION #2
4200 ROOSEVELT BOULEVARD / VIRTUAL
November 7, 2023**

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

Others present: Frank Lawson, General Manager; Rod Price, Assistant General Manager; Lena Kostopulos, Chief Workforce Services Officer; Deborah Hart, Chief Financial Officer; Julie McGaughey, Chief Customer Officer; Owen Morgan, IT Support Specialist; Travis Knabe, Chief Information Officer; Brian Booth, Chief Energy Resources Officer; Holly Shugart, Administrative Assistant; Aaron Orłowski, Communications Specialist; Lisa Krentz, Generation Manager; Kira Hutchens, Human Resources Manager; Jennifer Connors, Communications & Marketing Supervisor; Anne Kah, Administrative Services Manager; Laura Maffei and Dan Mulvihill of Cable Huston; Randy Geller of Harrang Long; Alan Torres, Register-Guard Local Government Reporter

EXECUTIVE SESSION

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

Pursuant to ORS 192.660(2)(h)

To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

President Carlson adjourned the Executive Session meeting at 6:07 p.m.

Assistant Secretary

President

EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
November 7, 2023
6:15 P.M.

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

Others Present: Frank Lawson, EWEB General Manager; Brian Booth, Chief Energy Resource Officer; Aaron Bush, Resource Analyst; Jonathan Hart, Power Planning Supervisor; Deborah Hart, Chief Financial Officer; Aaron Balmer, Financial Services Manager; Daniel Davidson, Senior Financial Analyst; Janice Lee, Senior Financial Analyst; Jason Heuser, Public Policy/Government Affairs Program Manager; and Alicia Voorhees, Budget and Rates Supervisor.

CALL TO ORDER

President Carlson called the meeting to order at 6:15 p.m.

Agenda Check

There were no changes to the agenda.

Items from Board Members and General Manager [0:29]

Commissioner Brown attended the Northeast Neighborhood meeting with Mr. Lawson. He praised EWEB crews for their excellence conducting ongoing construction projects.

President Carlson shared that EWEB is holding their Run to Stay Warm on November 19, 2023.

Vice President Barofsky reported on his attendance at recent McKenzie Watershed Council meetings. He said progress is being made on the Quartz Creek project and they replaced a bridge. Collaboration between the council and the trust is moving that project forward.

City of Eugene Liaison Update [4:39]

President Carlson provided an update about their meeting with the City of Eugene. Topics discussed included: the headquarters building purchase, billing for the City of Eugene, EWEB climate guidebook, Hilyard water transmission line, replacement of College Hill reservoir, secondary water source, coordinating with the City of Eugene on the upcoming water transmission line, and the 2024 rates forecast.

Vice President Barofsky commented that it was a positive meeting with the Mayor and Council President.

Mr. Lawson emphasized that EWEB stressed to the City the importance of keeping the Public Facilities Service Plan progressing. Being a little behind schedule, they requested anything that the City can do to keep that moving. He reported that the City may approach EWEB again for potential billing mechanisms for some of their fees. At the meeting, there was discussion around both parties' potential interest in EWEB owning the fire hydrants. He pointed out that the City and EWEB are collaborating well together.

Correspondence [8:23]

Mr. Lawson outlined three items. Item #1. Analysis of EWEB and Sacramento Municipal Utility District Programs, which was a follow-up for Commissioners around energy efficiency. Mr. Lawson complimented Julie McGaughey, Anna Wade, and Jennifer Connors on their comprehensive analysis, which provided a reasonable benchmark. Regarding Item #2. November 2023 Legislative Policy Update, Mr. Lawson said staff will bring an update to the board in December about the legislative position and agenda for this year. Regarding Item #3. Procurement Process and Requirements for Board Approval; As a follow-up to Vice President Barofsky asking about the process for EWEB bids, he said Deborah Hart and Quentin Furrow put together the history of how EWEB conducts different types of bids and/or proposals, and what the thresholds and requirements are. Mr. Lawson added that all the individuals who put together the correspondence are available for Commissioners comments or questions.

Public Input [9:26]

The following testimony was provided to the EWEB Commissioners: The Board neither endorses or opposes, or is responsible for the accuracy of content, of testimony including any links or references provided.

Written Testimony:

Victoria Koch of the Jefferson Westside neighborhood in Eugene, Oregon expressed her support of transitioning to clean electricity, stating the need to stop our dependence on fossil fuels.

Greg Miller of the Jefferson Westside neighborhood in Eugene, Oregon shared comments related to carbon aware demand response, including encouraging load shifting not only to times of low demand, but to times of low carbon intensity on the grid and when it can help integrate higher penetrations of variable renewable sources such as wind and solar. He suggested obtaining real time information about the consumed carbon intensity through the US Energy Information Administration's Hourly Electric Grid Monitor, and from emissions data platforms such as Singularity Energy, Electricity Maps, and WattTime.

Patricia Hine of Lane County, Oregon shared her comments relating to reducing fossil fuels by offering a suggestion to take advantage of the Inflation Reduction Act Funds to develop publicly owned local renewable energy generation, such as utility-scale solar and storage, virtual power plants, and geothermal.

Debra McGee of Lane County, Oregon expressed comments related to the transition off fossil fuels and her desire to protect low-income households by making it easier to access benefits, expand bill income eligibility, automatically enroll customers in bill assistance who have past due balances, and provide dedicated outreach funding to community-based organizations.

Andrew Simrin of Ward 7 in Eugene, Oregon provided input relating to the goal of reducing fossil fuels by urging EWEB to work with the City of Eugene to support electric heat pump retrofits and expand weatherization projects. He encouraged EWEB to create a web page to help navigate incentives for weatherization and electrification available through local, state, and federal programs. He added that EWEB should eliminate the \$8,000 maximum for aggregated income-based rebates allowing all customers to access both rebates and zero-interest loans.

Verbal Testimony:

Curtis Blankenship of Springfield shared comments relating to his support of rooftop solar, suggesting that parking lots provide an opportunity to utilize covered parking by placing solar panels on roofs.

BOARD ACTION AND GENERAL BUSINESS ITEMS

Approval of Consent Calendar – A, Minutes and Routine Contracts [32:30]

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

Approval of Consent Calendar – B, Nonroutine Contracts and Other Consent Items [32:55]

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

Items Removed From Consent Calendar [33:00]

There were none.

Upcoming Year (2024) Proposed Budgets and Prices [33:33]

Chief Financial Officer Deborah Hart, Financial Services Manager Aaron Balmer, and Budget and Rates Supervisor Alicia Voorhees provided the 2024 proposed budgets and prices.

Ms. Hart offered an overview of the financial planning calendar. She noted that November is midway through the planning process. In October they reviewed the updated long term financial plans and sought direction from the board on the 2024 draft budgets. In November they present the detailed draft document. In December they will seek board action on 2024 budgets and price proposals.

Mr. Balmer said that each budget is the max level of expenditure authorized in the budget process. The following figures correspond to line items for totals in attachment 1 of the 2024 proposed budget document. Operations and Maintenance: Water = \$32.3 million; Electric = \$314.7 million. Capital and Debt Service: Water = \$38.9 million; Electric = \$85.7 million.

The 2024 water budget includes plans to build a water treatment plant on the Willamette River to improve the resiliency of the water supply. It also includes meter technology upgrades, among other items.

The 2024 O & M electric budget includes funding for purchase power costs including rising costs of power supplied by Bonneville Power Administration. It supports broad community services through contributions in lieu of tax payment (CILT), and work to assess readiness for regional organized energy markets. It furthers programs for wildfire safety and prevention, electrification, energy efficiency greenhouse gas reduction, bill assistance programs, and contains funding to address structural vulnerabilities of the Leaburg canal as well as supports continued compliance management efforts related to public utility commission standards and NERC reliability audit preparations and staff training.

The electric capital budget ensures upgrades to the Carmen-Smith hydroelectric project, rebuilding of substations to increase capacity and improve reliability, underground cable replacements to help with reliability and wildfire prevention, ongoing investments to upgrade meter technology to improve service, upgrades to legacy IT systems, and the Bertelsen expansion project.

Overall revenue requirement increases are 7.8% for water and 5.7% for electric.

Ms. Voorhees provided a multiyear cost of service analysis (COSA) review. She explained that in 2021, staff provided a multi-year COSA based on the projected information at that time. The goal was to employ gradualism for each customer class over three years. 2024 is year three of that analysis. They have updated assumptions, revenue, and expense forecasts in both utilities long-term financial plans.

Ms. Voorhees referenced a PowerPoint slide detailing the largest customer classes for each utility and compared the compounded rate increases initially proposed over those three years with the rates implemented in 2022 and 2023 and the rates proposed for 2024. The slide also reflected inflation rates for water and electric. She pointed out that when the initial three year rate trajectory was presented to the board, staff was asked to smooth out the trajectory rate to avoid double digit rate increases. The graph is reflective of those efforts as indicated by an 8% lower overall revenue requirement. As 2024 is the final year of the three year rate proposal, EWEB will present a new three year rate proposal next year. She outlined both water and electric COSA results and proposed prices noting that as this and future years financial outlook signal rate increases, commitment to affordability is even more critical. She highlighted that compared with other Oregon cities, EWEB customers benefit from relative affordability,

with the average electric and water utility costs just 3.5% of their median household income. She explained that with the new rate increases, the average customer can expect a \$3/month rate increase for water and an \$11/month rate increase for electric. Given the economic pressures facing so many EWEB customers, they will continue to look for opportunities to control costs.

Discussion ensued between the board and staff about aspects of the budget and the importance of a solid communications plan.

Public Hearing on Upcoming Year (2024) Proposed Budgets and Prices [50:30]

President Carlson opened the public hearing at 7:06 p.m. and closed the public hearing at 7:06 p.m.

Resolution No. 2317, New PURPA Standards for Electric Vehicles and Demand Response [1:30:56]

Chief Energy Resources Officer Brian Booth, Resource Analyst Aaron Bush and Power Planning Supervisor Jonathan Hart introduced new PURPA standards for Electric Vehicles and Demand Response.

Mr. Bush provided analysis of the recent Public Utility Regulatory Policies Act (PURPA) process and timeline, review of public comment, and staff analysis and recommendations. The process began September 5, 2023. Public comment opened September 8, 2023 and closed October 14, 2023. Mr. Bush explained for reference that the goal of the standards is to promote the use of demand response and promote transportation electrification. He reported that in the robust public comment process they received 42 public comments primarily revealing two themes: general support for the standard and concern about rate impacts and the use of customer dollars. Staff responded that comments raised are valid and will be considered prior to implementation. He said EWEB will incorporate considerations such as utility values, cross subsidies across customer class rates, and adopted policies (e.g. DEI) in the decision-making process.

He noted three main areas in the staff recommendation: appropriateness (appropriate for EWEB/PURPA?), implementation (how to implement), and clarifications (EWEB specific). He outlined staff recommendations in relation to the three areas and recommended the board approve Resolution 2317.

Staff responded to questions from the board of commissioners.

MOTION: Commissioner Schlossberg moved to approve Resolution 2317 adopting the staff analysis and recommendation on PURPA's demand response and electric vehicle charging standards. The motion passed unanimously, 5:0.

Quarterly Operational & Strategic Goals Report for Q3 [1:56:22]

Mr. Lawson provided a summary of the 79-page quarterly operational and strategic goals report for quarter three. He said they passed a major milestone in the EWEB Enterprise Solutions (EES) project, moving onto the "build" phase, and even receiving

an “innovation and vision” award in the process. He reported that they have a solid year-to-date financial performance, they secured an additional \$3.3 million energy efficiency reimbursement from BPA, and have made much progress on major projects and board actions. He informed the board of a multitude of strategic goals that are currently in progress.

Staff responded to questions from the board of commissioners.

Future Board Agendas [2:15:20]

Mr. Lawson introduced the topic of future board agendas.

He noted that the Leaburg Decommissioning Action Plan has been moved from December 2023 to January 2024 and staff will be working to inform the public of the change.

There was consensus to change the next EWEB Board of Commissioners meeting from January 2, 2024 to January 9, 2024; contingent on the meeting space being available. Staff will report back on availability.

Board Wrap-up [2:20:14]

President Carlson requested feedback regarding the current practice for evaluating the board of commissioners. Mr. Lawson added that per policy the Board of Commissioners needs to do a self-evaluation on an annual basis. He said historically, staff has created a survey and sent it out to the commissioners.

Vice President Barofsky made a request for staff to list relevant page numbers alongside agenda items for easy reference in the meeting packet.

Adjourn

President Carlson adjourned the Regular Session at 8:38 p.m.

Recorded by Terah Van Dusen, LCOG

Assistant Secretary

President

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve new contracts with **EC Electric, L.R. Brabham, and OEG** for **Electrical Services**.

Board Meeting Date: December 5, 2023
Project Name/Contract #: Electrical Services / 23-210-1-S, 23-210-2-S, 23-210-3-S
Manager: Tyler Nice Ext. 7419
Executive Officer: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$1,200,000
Additional \$ Previously Approved: NA
Spend over last approval: NA
Amount this Request: \$1,200,000
% Increase over last approval: NA
Resulting Cumulative Total: **\$1,200,000 (over 5 years between 3 contracts)**

Contracting Method:

Method of Solicitation: Formal ITB
If applicable, basis for exemption: NA
Term of Agreement: 5 years
Option to Renew? No
Approval for purchases "as needed": Yes No
Proposals/Bids Received (Range): 3 – (\$195,700 - \$242,000)
Selection Basis: Lowest Responsive and Responsible Bidder
Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB requires electrical services from multiple electric contractors to perform modifications and/or repairs to EWEB's customer-owned and EWEB facilities, to support EWEB's Advanced Metering Infrastructure (AMI) project, to support Public Utility Commission (PUC) programs, and to maintain EWEB-owned infrastructure.

Contracted Goods or Services

EC Electric, L.R. Brabham Inc., and OEG will be assigned work amongst the following areas: Modification of EWEB's customer-owned overhead served equipment via equipment relocation; modification of EWEB owned underground service facilities and associated EWEB customer-owned equipment, if required; repair or replacement of EWEB Customers' meter clip or meter base or service conductors on an as needed basis.

Purchasing Process

In October 2023, EWEB issued a formal Intent to Bid for electrical services from a qualified electrician to perform modifications and/or repairs to EWEB's customer owned and EWEB facilities that are subject to BOLI prevailing

wage rates. This solicitation was advertised on the State’s procurement website OregonBuys, and three (3) bids were received. EC Electric, L.R. Brabham, and OEG were deemed to be responsive and responsible bidders.

Bids Received

Vendor Name	City, State	Offered Price
EC Electric	Springfield, OR	\$242,000
L.R. Brabham	Springfield, OR	\$241,220
OEG	Eugene, OR	\$195,700

Prior Contract Activities (EC Electric)

EWEB Contract	Project Name (Description)	Board Approved	Project Duration (Start to Close)	Original Amount	Approved/Amended Amount to Date (Total)	Reason Code
PO 23011	Santa Clara Fiber Conduit Installation	NA	11/30/20 - 12/9/20	\$7,995	\$7,995	
20-001	General Industrial Service Work	NA	1/23/20 – 1/23/25	\$10,000	\$10,000	

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

Prior Contract Activities (L.R. Brabham)

EWEB Contract	Project Name (Description)	Board Approved	Project Duration (Start to Close)	Original Amount	Approved/Amended Amount to Date (Total)	Reason Code
20-152	FEMA Electric Service Conversions / Relocations	9/1/20	9/20/20 – 1/29-21	\$518,137	\$518,137	
21-219	Electrical Work for new Well Facility	NA	11/5/21 – 7/3/22	\$38,643	\$38,643	
060-2018	Electrical Services	11/6/18	11/9/18 -	\$300,000	\$300,000	

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

Prior Contract Activities (OEG)

EWEB Contract	Project Name (Description)	Board Approved	Project Duration (Start to Close)	Original Amount	Approved/Amended Amount to Date (Total)	Reason Code
23-002	Hayden Bridge 24 SM PAC System Fiber Upgrade	NA	1/19/23 - 4/28/23	\$8,500	\$8,500	
20-176	Carmen Unit 1&2 Exciter Replacements Installation	NA	12/2/20 – 1/25/21	\$37,899	\$37,899	
006-2019	Commercial Electrical Services	7/9/19	7/26/19 - 7/11/24	\$500,000	\$500,000	
060-2018	Electrical Services	11/6/18	11/9/18 -	\$300,000	\$300,000	

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 contracts with EC Electric, L.R. Brabham, and OEG Inc. for Electrical Services. Approximately \$350,000 was planned for these services in the Electric Division O&M 2024 budget of \$41.5 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 new contracts with **Key Line Construction, Potelco, Inc., and Wilson Construction Company for Electric Line Crew Services.**

Board Meeting Date: December 5, 2023
Project Name/Contract #: Electric Line Crews / 23-045-S
Manager: Tyler Nice Ext. 7419
Executive Officer: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$5,000,000
Additional \$ Previously Approved: NA
Spend over last approval: NA
Amount this Request: \$5,000,000
% Increase over last approval: NA
Resulting Cumulative Total: **\$5,000,000 (over 5 years between 3 contracts)**

Contracting Method:

Method of Solicitation: Formal ITB
If applicable, basis for exemption: NA
Term of Agreement: 5 years
Option to Renew? No
Approval for purchases "as needed": Yes No
Proposals/Bids Received (Range): 3 (\$895,180 - \$1,429,420)
Selection Basis: Lowest Responsive and Responsible Bidder
Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB requires the services of multiple electric line crews to complete emergent overhead capital work, regulatory work required by the PUC, and emergency and storm events. Multiple contractors with EWEB system experience will enable EWEB to be more responsive for critical events.

Contracted Goods or Services

EWEB requires qualified services from IBEW signatory contractors to perform installations and corrections on EWEB's overhead electric distribution system.

Purchasing Process

In November 2023, EWEB issued a Formal Invitation to Bid (ITB) for electric line crews with the potential for multiple awards to be made as a result of the solicitation process. This solicitation was advertised on OregonBuys, and bids were received from, Key Line Construction, Potelco, Inc., and Wilson Construction Company. The three bids were reviewed and were deemed responsive and responsible offers.

Bids Received

Vendor Name	City, State	Offered Price (based on 2,000 annual crew hours)
Key Line Construction	Myrtle Point, OR	\$895,180
Potelco, Inc.	Hubbard, OR	\$1,203,840
Wilson Construction Company	Canby, OR	\$1,429,420

Prior Contract Activities

Key Line Construction

EWEB Contract	Project Name (Description)	Board Approved	Project Duration (Start to Close)	Original Amount	Approved/Amended Amount to Date (Total)	Reason Code
055-2017	Electric Line Crews -	12/5/17	12/5/17 – 4/30/23	\$1,666,666	\$1,347,806	
19-189-S	Transformer Technician Services	NA	12/11/19 – 8/31/20	\$100,000	\$112,000	AW, SD

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

Potelco, Inc.

EWEB Contract	Project Name (Description)	Board Approved	Project Duration (Start to Close)	Original Amount	Approved/Amended Amount to Date (Total)	Reason Code
055-2017	Electric Line Crews - Potelco, Inc.	12/5/17	12/5/17 – 12/31/22	\$1,666,666	\$607,182.99	
18-2669	Utility Inspection Services	NA	5/1/18 – 8/31/18	\$60,000	\$82,328.88	AW, SD

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

Wilson Construction Company – No previous EWEB contracts exist, but Staff received positive feedback while checking references.

ACTION REQUESTED:

Management requests the Board approve new contracts with Key Line Construction, Potelco, Inc., and Wilson Construction Company for Electric Line Crew Services. Approximately \$175,000 was planned for these services in the 2023 Electric Capital and Electric O&M budgets of \$74.2 million and \$307.7 million respectively and will be budgeted annually. Emergency response work may be reimbursed through FEMA grants. Variances will be managed within the budget process and Board policy.