

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
April 5, 2016
5:00 P.M.**

Commissioners Present: John Simpson, President; John Brown, Vice President; Steve Mital, Dick Helgeson and James Manning, Commissioners.

President Simpson convened the April 5th, 2016, Regular Session at 5:02 p.m.

AGENDA CHECK

No changes.

ITEMS FROM BOARD MEMBERS

- Commissioner Helgeson attended the NWPPA board of trustees meeting that reviewed draft resolutions relative to legislative policies for the upcoming year. There were no inconsistencies with the EWEB board's policies and procedures.
- President Simpson will be traveling to Portland April 7th, 2016 to attend the Drive Oregon presentation in which a keynote speaker from the California Air Resources Board will discuss the beneficial effects of electric vehicles.
- Commissioner Mital attended the McKenzie Memories event Friday April 1st, coordinated by the McKenzie River Trust.
- Commissioner Mital also asked the board for clarification about the new action minutes format for EWEB board minutes, and stated his concern about the availability of audio files for the public. He stated, on the record, that his support of the new minutes format was contingent on the audio files being made available, and wanted staff to be clear on what the new policy was. President Brown asked staff asked for technical clarifications about the new format, and received clarification.
- Vice President Brown stated that Friday, April 8th, the LGAC committee meets to discuss the Whistle Free/Safety Zone important to the success of any redevelopment of this property. He will not be able to attend, but recommends staff attend.
- Vice President Brown met with staff about the environmental conditions of the lower McKenzie River and how EWEB's operations impact that. He requested three head nods of fellow Board members to support a backgrounder on what it will take to make sure and continue to be conscious of the environmental conditions of the lower McKenzie River, particularly the impact on Salmon. He received three head nods.

- Vice President Brown also stated that more illegal camping has occurred right above their water intake, at a site that EWEB has recently cleaned up. He said there will be a reporting process in the near future. He believes the camping occurred on IP property.

PUBLIC INPUT

Tom Mulhern from Catholic Community Services (CCS) expressed thanks to the EWEB Board of Commissioners for their cooperation and support of the Energy Assistance Program for EWEB customers, CCS is the contractor for administering the funds in partnership with Lane County. He detailed the process for low-income residents needing Energy Assistance.

Board Discussion

- President Simpson asked if CCS accepted walk-ins to the program. Mr. Mulhern answered that they were instructed not to accept walk-ins, but they do have policies in place to deal with emergencies. If a client meets emergency criteria, they can walk-in, but simply having a disconnect notice does not entitle a client to emergency services. President Simpson followed up with the question of what the program does when funding runs out, and Mr. Mulhern stated that they stop making appointments. President Simpson also asked if CCS maintained a relationship with LCOG's Senior and Disability Services, and Mr. Mulhern stated that CCS works directly with Lane County.
- Vice President Brown thanked CCS for their work in the community, and noted that EWEB gives the largest amount of revenue to communities in need in the United States that he knows of.
- Commissioner Mital thanked CCS, stated he had attended the CCS open house, and that he would be interested in a follow up conversation regarding continuing need in the community for the Energy Assistance Program.
- President Simpson thanked Mr. Mulhern for the work that CCS does in the community and stated that the public service and community outreach that EWEB is involved with are important components of a water and power utility. Continuing to assess community need and cultivating agency partnerships will continue.
- Commissioner Helgelson thanked Mr. Mulhern and is proud of EWEB's low income assistance program. He commented on the walk-in policy changes.

Joe Moll, Executive Director of the McKenzie River Trust provided an update on the Finn Rock camp purchase and expressed thanks to EWEB for their leadership and financial support of the sale. He directed the Board to an editorial published in the Register-Guard that focused on the positive nature of the regional collaborative efforts between the McKenzie River Trust and EWEB.

Board Discussion

- Vice President Brown expressed his thanks for all the hard work Mr. Moll does for the Trust. He plans to continue to be an advocate for the Trust.
- President Brown also thanked Mr. Moll for his work, and expressed his commitment to continue supporting the work of the Trust.
- Commissioner Helgeson thanked Mr. Moll for his testimony, and is pleased with the upriver acquisition.
- Commissioner Manning is pleased that EWEB is contributing to the protection of public properties and public waterways and thinks it is critical to the next generation, and it is a step in the right direction. He thanked Mr. Moll for his testimony.
- A second public input session was opened at 6:22 pm due to the earlier start time of the Board meeting.

Will Rutherford of Vida informed the Board of a plan in review by the Watershed Council, and encouraged the Board to read the Watershed document.

Board Discussion

- Commissioner Helgeson thanked Mr. Moll for his hard work on the upriver acquisition of the Trust.
- Commissioner Manning expressed his thanks to Mr. Moll.

CONSENT CALENDAR

MINUTES

1. a. February 16, 2016 Special Board Meeting
- b. March 1, 2016 Regular Session
- c. March 15, 2016 Strategic Planning Session
- d. March 15, 2016 Executive Session

CONTRACTS

2. ERMCO Distribution Transformers – for the periodic purchase of Three Phase Padmounted Transformers (as needed to replenish stock). \$1,500,000 (over 5 years). Engineering, Contact Person is Mel Damewood, 541-685-7145.
3. ERMCO Distribution Transformers – for the periodic purchase of Single Phase Padmounted Transformers (as needed to replenish stock). \$500,000 (over 5 years). Engineering, Contact Person is Mel Damewood, 541-685-7145.

4. Manzo, Inc. for the purchase of Implementation Services for an Integrated Software as a Service (SaaS) Human Capital Management Services (HCMS) solution. \$460,000. Contact Person is Lena Kostopulos, 541-685-7466.

MEMORANDUM OF AGREEMENT

5. Memorandum of Agreement with McKenzie River Trust for the acquisition and management of Finn Rock properties. \$750,000 (\$250,000 and up to an additional \$500,000), Contact Person is Steve Newcomb, 541-685-7391

RESOLUTIONS

6. Resolution No. 1530 – Approving Board Policy Revisions for SD2 Environmental Policy, Contact Person is Steve Newcomb, 541-685-7391

7. Resolution No. 1605 – Approving Board Policy Revisions for EL3, Public Requests for Board Expenditures, Contact Person is Lance Robertson, 541-685-7371

8. Resolution No. 1611 – Authorizing the defeasance of All, a Portion of, or None of the City of Eugene, Oregon Electric Utility System Revenue Bonds Series 2005, Electric Utility System Revenue Bonds, Series 2006, and Electric Utility System Revenue and Refunding Bonds, Series 2012; Authorizing the Execution and Delivery of Escrow Deposit Agreement; Authorizing Appointment of an Escrow Agent. Contact Person is Sue Fahey, 541-685-7688

9. Resolution No. 1614 – Supplemental Master Water Bond Resolution, Contact Person is Sue Fahey, 541-685-7688

10. Resolution No. 1615 – 2016 Update to the Integrated Electric Resource Plan (IERP), Contact Person is Erin Erben, 541-685-7615

11. Resolution No. 1616 – Dark Fiber Lease Rate Revision, Contact Person is Mel Damewood, 541-685-7145

Commissioner Mital requested pulling Contract item 4, Manzo Inc. and Resolutions No. 1614 and No. 1616 for discussion. President Brown moves to pull Consent Calendar items #4, #9, Resolution No. 1614, and #11, Resolution No.1616.

Vice President, John Brown motioned to approve the remaining items on the consent calendar. The motion passed unanimously (5-0).

ITEMS REMOVED FROM CONSENT CALENDAR

Resolution No. 1614

Susan Fahey, Financial Services Manager, responded to questions and provided information about resolution 1614. Ms. Fahey described that the original resolution was passed in 1997, and the original resolution did not anticipate some of the changes in the market. There are four main aspects to the “clean up” that this resolution calls for. The first is the Build America bond, federal subsidy credits were not taken into consideration under the original bond, and they needed a way to figure out service coverage if that is ever used. This provides flexibility in debt service coverage. The next issue is ratings reserve credit, and this would also provide EWEB with flexibility in debt service coverage.

President Brown moved to approve #9, Resolution 1614 and it passed unanimously (5-0).

Resolution No. 1616

Mel Damewood provided information and responded to questions about Resolution No. 1616.

- The Board indicated they would like more information about who is responsible for capital costs, and the pricing structure before they vote on Resolution No. 1616.

President Brown moved to recommend that staff prepare a backgrounder and defer Resolution No. 1616 to the regular board meeting on May 3rd, 2016. Passed unanimously (5-0).

Manzo, Inc. Contract

Lena Kostopulos provided information and responded to questions about the Manzo, Inc. contract.

Board Discussion

- The current HR software system is failing, and the turnaround time for bids on a new system was short, limiting bid responses. The Board was concerned there was only one bid, and Ms. Kostopulos fielded questions about the bidding process, how the project would be funded with vacant FTE, and the IS components of the project. The consulting firm that bid on the process is experienced with the system EWEB needs for HR and Payroll configuration.

Commissioner Helgelson moved to approve the Manzo, Inc. contract, and it passed unanimously (5-0).

BOARD ACTION ITEMS

System Development Charges (SDC) Methodology and Fee

Susan Fahey, Financial Services Manager used a PowerPoint presentation to discuss a tiered option for the new SDC methodology and fee schedule. Staff recommends

updating the SDC methodology and fee schedule, layering on the two tier approach that reflects the current master plans and addresses the current system demands.

Public Hearing: SDC Methodology and Fee Schedule

Board Discussion

- Staff responded to questions about elevation charges, and which properties are served by the 800' level reservoir, and the time frame for rate funding in the future. A growth component has been identified in the SDC.

President Simpson opened the public hearing on the SDC Methodology and Fee Schedule changes.

No public testimony.

Resolution No. 1613, SDC Methodology and Fee Schedule

President Simpson moved to approve Resolution No. 1613, SDC Methodology and Fee Schedule and the motion carries unanimously (5-0).

GENERAL BUSINESS ITEMS

2015 Year-end Audited Financial Statements & 2015 Moss Adams Management Letter

Susan Fahey, Financial Services Manager and Keith Simovic from Moss Adams used a PowerPoint presentation to discuss the 2015 EWEB Audit results.

Points of discussion were:

- Unmodified opinion on financial statements
- Oregon Minimum Standards – no exceptions or noncompliance found
- No unanticipated Audit changes on the Electric or the Water side
- No material weakness was noted
- Internal control recommendations: Calculation and application of overhead, Conservation loan reconciliation, and Information systems change management, User access conflicts were discussed.

Board Discussion:

- Staff clarified user access policies for the Board.

Correspondence & Board Agendas

Interim General Manager, Dave Churchman

- Oregon State University will be working with EWEB to test EWEB's concrete poles for earthquake strength.

- A poll was administered on Twitter to customers about the SDC charges discussed earlier in the meeting.
- Preparation is being made on the electric side in partnership with UO and the City of Eugene for the 2016 Olympic trials.
- Agenda planning: the strategic planning meeting on the 19th of April has been extended by an hour, and a Regular Board session has been added.

Board Wrap Up

President Simpson adjourned the Regular Session at 7:17 p.m.

Assistant Secretary

President



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Simpson, Brown, Helgeson, Manning and Mital
FROM: Brad Taylor, Water Operations Manager; Mel Damewood, Engineering Manager; Wally McCullough, Water Engineering Supervisor
DATE: April 18, 2016
SUBJECT: Preliminary Design for New Water Filtration Plant
OBJECTIVE: Board Action - Contract Approval

Issue

EWEB recently solicited proposals for the Preliminary Design of the Water Utility's proposed new Water Filtration Plant and a request is being made to award a contract for \$533,000 for this work.

Background

Efforts focused on our Alternative Water Supply (AWS) program have been occurring for the past several years. The most significant component of the AWS program is the Water Utility's proposed new Water Filtration Plant, which is scheduled for completion by 2022.

Progress updates on the new Filtration Plant have been provided to the Board in March 2015 and most recently in February 2016. In summary, EWEB has obtained property for our new river intake and is working to acquire property for the filtration plant. Significant property due diligence and conceptual design activities have been accomplished.

The next step is completion of a preliminary design for the new facilities where the specifics will be defined and accurate cost estimates developed.

Discussion

EWEB solicited proposals for Preliminary Design services in late 2015. Four proposals were received and after review, two consultants were invited to interview. Following interviews, Carollo Engineers was selected for the work.

The Preliminary Design will include the following:

- Documentation of the raw water quality and the finished water quality goals. A comparison between the raw water characteristics of the Willamette and McKenzie Rivers will be included.
- Evaluation and selection of the treatment processes for the plant. The evaluations will be completed using a triple bottom line analysis.

- Development of the civil, mechanical, structural, and other design criteria for the plant.
- Development of the site layout and access configurations for the plant.
- Preparation of updated cost estimates reflecting the recommended processes and configurations. This will be an iterative effort as alternatives are evaluated.
- Preparation of a project implementation plan, including an evaluation of alternative contracting methods that would be appropriate.
- Preparation of 30 percent drawings for all facilities.

All the above will be included in the Preliminary Design Report. Also incorporated into this Report will be preliminary design work completed by EWEB staff and other Consultants. This includes work associated with the river intake and an evaluation of options for delivering water from the new Filtration Plant into the existing distribution system.

The work will be scheduled such that no activities dependent on specific plant location will be initiated until property is secured.

The Preliminary Design effort is anticipated to be complete by March of 2017. An update of the work will be provided to the Board at the October 2016 meeting.

The work is included in the 2016 Capital Budget and will be paid through rate funded or bond funded capital dollars.

TBL Assessment

A triple bottom line assessment will be completed for selected improvements where alternatives analysis is appropriate.

Recommendation/Requested Board Action

Water staff is recommending that the Board approve award of a contract for \$533,000 to Carollo Engineers for the Preliminary Design of the Proposed New Water Filtration Plant.

If there are any questions or if more information is needed, please contact Mel Damewood, Engineering Manager 541-685-7145 or mel.damewood@eweb.org.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Personal Services Contract with **Carollo Engineers** for **Engineering Services**.

Board Meeting Date: 5-3-2016

Project Name/Contract#: Water Treatment Plant Preliminary Design

Primary Contact: Mel Damewood Ext. 7145

Purchasing Contact: Sandra Hahn Ext. 7163

Contract Amount:

Original Contract Amount: \$ 533,000

Additional \$ Previously Approved: \$ 0

Invoices over last approval: \$ N/A

Percentage over last approval: N/A %

Amount this Request: \$ 533,000

Resulting Cumulative Total: \$ 533,000

Contracting Method:

Method of Solicitation: Formal Request for Proposals

If applicable, basis for exemption: N/A

Term of Agreement: 5-3-16 to 3-1-17

Option to Renew? Yes

Approval for purchases "as needed" for the life of the contract No

Action Requested:

Contract Award
 Contract Renewal
 Contract Increase
 Other

Funding Source:

Capital Budget
 Reserves
 New Revenue
 Bonding
 Other

Form of Contract:

Single Purchase
 Services
 Personal Services
 Construction
 IGA
 Price Agreement
 Other

Narrative:

The Board is being asked to approve a new contract with **Carollo Engineers** of Portland, OR for the purchase of Engineering Services.

EWEB requires Engineering Services for pre-design of a Water Filtration Plant. The Water Filtration Plant is planned for in the Water Master Plan which has been approved by the Board. Contract objectives are to provide the preliminary design report for the new Water Filtration Plant; the Water Filtration Plant is a significant part of EWEB's Alternative Water Supply (AWS) program.

Contracted services include identification of the treatment processes, development of the site layout, and preparation of cost estimates.

In December, 2015, staff issued a Formal Request for Proposals (RFP). Thirty-one companies reviewed the solicitation; EWEB received four proposals from AECOM of Portland, OR; CH2M of Corvallis, OR; HDR Engineering of Portland, OR; and Carollo Engineers. The responses were evaluated based on the evaluation criteria stated in the RFP. Criteria included Project Approach, Project Experience, Project Team Experience, Proposer's Demonstrated Ability to Successfully Complete Similar Projects On-Time and Within Budget, and a Sample of Plant Preliminary Design.

Carollo Engineers has been found to be responsive and responsible and has earned the highest score as a result of their response to the RFP. As a result of successful negotiations in regards to the developed scope of work and fees, Carollo has been selected to provide the services. Staff has issued a notice of Intent to Award the contract to Carollo Engineers, pending Board approval.

ACTION REQUESTED:

Management requests the Board approve a Personal Services Contract with **Carollo Engineers** for **Engineering Services**. These costs were included in the 2016 Capital Budget and will be paid with rate funded or bond funded capital dollars.

SIGNATURES:

Project Coordinator: _____

LT Manager: _____

Purchasing Manager: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new price agreement with **EATON Electric** for the periodic purchase of network protectors.

Board Meeting Date: 5/3/16
Project Name/Contract#: Contract 009-2016
Primary Contact: Mel Damewood Ext. 7145
Purchasing Contact: Ramie Alkire Ext. 7413

Action Requested:

Contract Award
 Contract Renewal
 Contract Increase
 Other

Contract Amount:

Original Contract Amount: \$ 900,000 over 5 years
Additional \$ Previously Approved: \$ n/a
Invoices over last approval: \$ n/a
Percentage over last approval: n/a %
Amount this Request: \$ 900,000 over 5 years
Resulting Cumulative Total: \$ **900,000 over 5 years**

Funding Source:

Budget
 Reserves
 New Revenue
 Bonding
 Other

Contracting Method:

Method of Solicitation: Direct Negotiation
If applicable, basis for exemption: EWEB Rule 3-0275 Sole Source Procurements
Term of Agreement: May 3, 2016 – May 2, 2021
Option to Renew? No

Form of Contract:

Single Purchase
 Services
 Personal Services
 Construction
 IGA
 Price Agreement
 Other

Approval for purchases "as needed" for the life of the contract Yes

Narrative:

The Board is being asked to approve a new price agreement with **Eaton Electric** of Waukesha, WI for the purchase of network protectors on an as needed basis.

EWEB requires network protectors for use in EWEB's downtown secondary grid network. Network protectors are circuit breaker and relay units that are required on the low voltage side of distribution transformers feeding the secondary grid network. Network protectors open to prevent backfeeding the primary feeder conductors during a primary feeder conductor fault or when the feeder breaker is opened. For crew safety, in 2014 EWEB revised its specification for network protectors to be dead-front. Dead front equipment is much safer to work and maintain than live front equipment since there are no exposed energized components immediately inside the enclosure door that may be accidentally contacted during maintenance or operation.

There are two manufacturers of network protectors and only one, Eaton Electric, manufactures a dead front network protector. Staff has negotiated a five-year price agreement with Eaton Electric and estimates that the total contract amount will be approximately \$900,000 over the total five-year period. The actual total dollar amount, however, is unknown and may be more or less than that estimated volume. 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.

If approved, staff will purchase required network protectors at the established prices over the life of the price agreement.

ACTION REQUESTED:

Management requests the Board approve a new price agreement with **Eaton Electric** for the purchase of **network protectors**. Funds for these purchases were budgeted for 2016 and will be budgeted annually.

SIGNATURES:

Project Coordinator: _____

LT Manager: _____

Purchasing Manager: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Construction Contract with **Professional Underground Services** for **Construction Services**.

Board Meeting Date: May 3, 2016
Project Name/Contract#: 016-2016 Beltline UG Crossing
Primary Contact: Mel Damewood Ext. 7145
Purchasing Contact: Collin Logan Ext. 7426

Action Requested:

Contract Award
 Contract Renewal
 Contract Increase
 Other

Contract Amount:

Original Contract Amount: \$133,000
Additional \$ Previously Approved: \$ n/a
Invoices over last approval: \$ n/a
Percentage over last approval: n/a %
Amount this Request: \$133,000
Resulting Cumulative Total: **\$133,000**

Funding Source:

Budget
 Reserves
 New Revenue
 Bonding
 Other-
Reimbursement by ODOT

Contracting Method:

Method of Solicitation: Formal Invitation to Bid
If applicable, basis for exemption: n/a
Term of Agreement: August 31, 2016
Option to Renew? No
Approval for purchases "as needed" for the life of the contract No

Form of Contract:

Single Purchase
 Services
 Personal Services
 Construction
 IGA
 Price Agreement
 Other

Narrative:

The Board is being asked to approve a new contract with **Professional Underground Services** of Eugene, OR for the Electric Substructure Installation to accommodate ODOT's Unit 4 Project (Beltline "Fly-over" over I-5) near the intersection of I-5 and Beltline.

Work includes trenching and installing vaults/boxes, associated grounding, and conduit. A duct bank will be extended through the existing utility tunnel to allow for future facility crossing under Beltline. This work will be completed in conjunction with other required overhead facility relocations to be completed by EWEB electric crews.

In March 2016, staff solicited bids for substructure installation services to accommodate the abandonment of the EWEB tunnel that is in conflict with ODOT's project. EWEB's work that allows for the abandonment of the tunnel must be completed prior to ODOT initiating work. Two bids were received and evaluated. Professional Underground Services of Eugene was determined to be the lowest bidder and was deemed to be responsive and responsible. A bid was also received from Lantz Electric of Eugene, Oregon. If approved, Professional Underground Services will provide construction services as specified in the solicitation documents.

ACTION REQUESTED:

Management requests the Board approve a new contract with **Professional Underground Services** for the Electric Substructure Installation to accommodate ODOT's Unit 4 Project near the intersection of I-5 and Beltline. ODOT has agreed to reimburse EWEB 100% for work performed as originally scoped under this contract. Funds for this work are budgeted in 2016 and ODOT has issued EWEB a Notice to Proceed with Award of this contact. If you have any questions, please contact Mel Damewood at (541) 685-7145, or mel.damewood@eweb.org.

SIGNATURES:

Project Coordinator: _____

LT Manager: _____

Purchasing Manager: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____