

**EUGENE WATER & ELECTRIC BOARD
EXECUTIVE SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
DECEMBER 4, 2018
4:45 P.M.**

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

Others present: Frank Lawson, General Manager; Susan Ackerman, Chief Energy Officer; Mike McCann, Generation Manager; Patty Boyle, Principal Project Manager; Sue Fahey, Chief Financial Officer; Mel Damewood, Chief Water Engineering & Operations Officer; Matt Barton, Chief Information Officer; Lena Kostopulos, Chief Human Resources Officer and Anne Kah, Executive Assistant

EXECUTIVE SESSION:

The Executive Session was called to order at 4:45 p.m.

Pursuant to ORS 192.660(2)(f)

The EWEB Board of Commissioners met in Executive Session to consider information or records that are exempt by law from public inspection.

President Brown adjourned the Executive Session meeting at 5:10 p.m.

Assistant Secretary

President

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
December 4, 2018
5:30 P.M.**

Commissioners Present: John Brown, President; Sonya Carlson, Vice President; Dick Helgeson, Steve Mital, John Simpson, Commissioners

Others Present: Frank Lawson, General Manager; Matt Barton, Chief Information Officer; Sue Fahey, Chief Financial Officer, Deborah Hart, Interim Finance Manager; Jason Heuser, Policy and Governance Program Manager; Leisha Krueger, Project Manager; Mike McCann, Electric Generation Manager; Julie McGaughey, Customer Operations Manager; Lisa McLaughlin, Environmental Supervisor; Jerry Reller, Senior Financial Analyst; Adam Rue, Interim Fiscal Services Supervisor; Keith Simovic, Moss Adams; Ben Ulrich, Interim General Accounting Supervisor.

President Brown called the Regular Session to order at 5:30 p.m.

Agenda Check

There were no changes or additions to the agenda.

Recognition of Service for Commissioner Simpson

President Brown announced that this would be Commissioner Simpson's final meeting as an EWEB Commissioner. On behalf of the Board, he presented Commissioner Simpson with an old analog power meter to commemorate his years of service to EWEB.

The Board Commissioners, each in turn, thanked Commissioner Simpson for his service and dedication to EWEB, and the community the utility serves.

Commissioner Simpson thanked the Board for their support and their work; he listed all Commissioners and General Managers that he had had the pleasure of working with during his tenure as an EWEB Commissioner. Commissioner Simpson thanked President Brown for his diligence for time management, and his undying dedication to water quality. Commissioner Simpson thanked Commissioner Mital for doggedly insisting on bottom-line improvements, accountability, and his passion for affordability and transparency. Commissioner Simpson thanked Commissioner Helgeson for his incredible depth of knowledge, and critical thinking prowess. Commissioner Simpson thanked Commissioner Carlson for her inquisitive and balanced approach to leadership.

Commissioner Simpson thanked the utility as a whole for: its financial integrity, its dedication to the environment, and its dedication to water infrastructure replacement. He said he was also very proud of EWEB's safety record, and its culture of inclusiveness.

Finally, Commissioner Simpson thanked the Minutes Recorders, and all EWEB staff for their hard work and dedication to the utility.

Items from Board Members and General Manager

- Vice President Carlson said she attended the Bethel Town Hall meeting. She said that EWEB issues weren't thoroughly discussed, and that the focus of the conversation was housing. Vice President Carlson said EWEB's work surrounding affordability and efficiency was a good partner to the public concern about housing
- Commissioner Simpson announced that his tenure on the LCOG Board would also be coming to a close. He said Vice President Carlson was his backup on the LCOG Board, although there was no precedent which made her service to that Board mandatory.
- Commissioner Helgeson said he was approached by a heating system installer, and from that meeting, he learned the conversion to natural gas could be very expensive. He asked staff to contact him at a later date with information to that end. He announced that Northwest Public Power Association (NWPPA) appointments were upcoming at the beginning of 2018, and if any Commissioner was interested in serving with that organization, they should contact him about it.
- Commissioner Mital announced he had a chance to meet with a local Boy Scout Troop. He also reported that he and President Brown were still in ongoing meetings with the Springfield Utility Board (SUB). Commissioner Mital was hopeful that the two utilities would continue working together, especially where water was concerned.
- President Brown reported that recently a very large water heater was removed from the McKenzie. He thanked those members of McKenzie River Guides (MRG) for the removal of the water heater, when no one else had been able to do it. President Brown suggested that EWEB donate \$500 to MRG for their willingness to go above and beyond to keep the river safe and clean.
- General Manager Lawson acknowledged Scott Mehlbrech for his work with the EWEB crews down in California helping with the fires. He thanked Jen Connors and Rachael Chilton for their work on the 2018 Run to Stay Warm. Finally, he thanked Commissioner Simpson for his years of service to EWEB.

Public Input

Victor Odlivak of Eugene spoke in opposition to AMI. He pointed to a form letter he and others had received from EWEB, offering ratepayers an opt-out option for AMI. Mr. Odlivak stated that the original correspondence from him and his fellows to EWEB, was not an opt-out request, but a declaration they did not want smart meters to be installed at all. He also spoke to the hackability of smart meters; he offered that, according to his research, the personal information of ratepayers could be captured from a smart meter.

Donna Turring of Eugene spoke in opposition to the AMI opt-out policy. She stated she also received a letter that EWEB could not verify her on her account even though she is in fact on the account. Ms. Turring expressed disappointment about the reversal

in EWEB policies from opt-in to opt-out in reference to smart meters. Due to the change, she stated that many people will be getting smart meters in their homes and will be unaware of the safety risks. She stated she would like EWEB to reconsider this. Additionally, Ms. Turring stated that EWEB has been considered one of the best employers in Eugene – going over to robots may not be as efficient as being advised. Ms. Turring hopes EWEB will return to voluntary opt-in.

Artie Gilad of Eugene spoke in opposition to AMI. He referenced an Illinois 7th Circuit Court ruling which said collecting data from smart meters runs counter to the 4th Amendment to the Constitution. Mr. Gilad also cited a Josephine County, Oregon Ordinance which gives the citizens of that county a choice in the energy meter installed on their homes

Fergus McLean of Eugene spoke in opposition to AMI. He thanked EWEB for taking its time with introducing this new technology. He read a letter of AMI opposition from the Board of the American Academy of Environmental Medicine. The letter pointed to the adverse health effects seemingly caused by smart meters.

Dale O'Brien of Eugene spoke in opposition to AMI. He said there were at least 8,000 studies which point to the ill health effects of smart meter technology. Mr. O'Brien asked the Board to look into the work of the late Dr. William Rey, as it points to the negative health effects brought about by AMI technology.

Cindy Allen of Eugene spoke in opposition to AMI. She said that, according to her research, one-in-ten people who have metal implants of any kind, are adversely affected by EMF radiation from smart meter technology. She cited the World Health Organization (WHO), which had previously rated EMF radiation a type 2B carcinogen.

Commissioner Mital thanked those who spoke for their testimonies. He said EWEB had chosen a type of AMI meter, with very specific specifications, and he was unsure if raising general concerns about the broad topic of AMI meters in general, was very helpful to EWEB. Commissioner Mital said he did have concerns about privatization of information, but he did not believe the meters EWEB had chosen were capable of capturing that sort of data.

Commissioner Helgeson thanked those who provided their testimonies. He said that he had been trying for some time to find studies and/or information regarding the adverse health effects of smart meters, but had not been able to do so. He added that most of the information he had found was data specific to cell phones.

Commissioner Simpson thanked the members of the audience who participated in Public Input. He said that he had heard a lot of conversation about “dirty electricity” being transmitted by smart meters; he offered that the dirtiest electricity was actually generated by light dimmers. Commissioner Simpson said also, that as an engineer, he could not understand why more people were not concerned with the magnetic fields produced by older disc meters.

Vice President Carlson thanked those who spoke. She assured everyone present that she had examined the issue very closely before voting on it, but she reached different conclusions than those speaking against AMI. Vice President Carlson pointed to the benefits of AMI technology, including resiliency, and shorter outage periods.

President Brown thanked those who offered testimony. He asserted that the ratepayer concerns had been looked at thoroughly, and he welcomed any new information, which the Board would also look at closely and thoroughly.

Mr. Lawson said staff will continue looking at the issues surrounding AMI.

Approval of Consent Calendar

MINUTES

1. a. **November 6, 2018 Executive Session #1**
- b. **November 6, 2018 Executive Session #2**
- c. **November 6, 2018 Regular Session**

BUDGET AMENDMENTS

2. **Resolution No. 1834**, Electric and Water Budget Amendments.

CONTRACTS

3. **Badger Meters Inc.** - for AMI Water Meters and Registers. \$425,000 (over 5 years).
4. **Cascade Health Solutions** - for Recruitment, Hiring, Safety, Health, and Wellness Program Services. \$400,000 (over 5 years).
5. **Electrical Power Products** - for Substation Equipment at the Carmen Power Plant. \$405,000.
6. **Rosemount, Inc.** - for Free-Chlorine Measuring Systems. \$240,000.

INTERGOVERNMENTAL AGREEMENTS

7. **United States Geological Survey (USGS)** - for hydrological surveillance maintenance, monitoring and reporting services on the McKenzie River. \$680,895 (next 5 years), Resulting Cumulative Total \$830,345 (over 6 years).

RESOLUTIONS

8. **Resolution No. 1828**, Customer Service Policy, Cost-Based Fees.
9. **Resolution No. 1829**, Regulatory Deferral of Other Post-Employment Benefits (OPEB) Expense.
10. **Resolution No. 1830**, Use of Reserves for Pension and Other Post-employment Liabilities.

11. Resolution No. 1835, 2019 EWEB Avoided Costs Filing.

12. Resolution No. 1836, Authorize General Manager to Enter Indicative Term Sheet - Foote Creek I Windfarm.

Commissioner Mital moved to approve the Consent Calendar as presented. The motion passed unanimously 5:0.

Items Removed From Consent Calendar

None.

2019 Proposed Budgets and Prices: Update

Ms. Fahey, Ms. Hart, and Mr. Rue offered the Board a report and PowerPoint presentation on the 2019 proposed Budgets and Prices.

Public Hearing on 2019 Proposed Budgets and Prices

There was no one who wished to speak during the Public Hearing.

2019 Proposed Budgets and Prices: Action

Vice President Carlson moved to adopt Resolutions 1831, 1832, and 1833. The motion passed unanimously 5:0

Commissioner Mital thanked staff for adding the cities that he had previously asked them to add to the Water and Electric Residential Bill Comparison graph in their presentation. He mentioned the 5% threshold the Cost of Service Analysis (COSA) reported that all customer classes were within; he said, going forward, he would like to know when a customer class gets close to that threshold.

Commissioner Helgeson pointed out that the 5% threshold was in place, not because anything below that was insignificant, but because the COSA was not a precision instrument. He wondered, with the Board Action approving changes in rate design, what the range of impacts would be for the majority of EWEB customers as a result of flattening the tiers.

Mr. Rue answered the majority of EWEB customers would see less than a \$4 change monthly, and that would be in an individual month. A lot of customers potentially have a favorable impact in some months and unfavorable other months.

Commissioner Helgeson asked for more information on Median Household Income (MHI), and the percent of a customer's energy bill to MHI. He wondered how much of the aforementioned data was a function of MHI of the communities, as opposed to being a function of the actual bills of the utility.

Commissioner Mital wondered if it would be possible to add a High/Low consumption rate to the Water and Electric Residential Bill Comparison graph.

Ms. Fahey said that was completely doable.

Mr. Lawson stated in the upcoming years, there would be much discussion surrounding rate design. He suggested a few select and similar utilities to use in the accumulation of rate design data, instead of using all the local utilities, due to some of the latter being outliers which would skew the data and information.

Vice President Carlson asserted the market for the skilled workforce EWEB needed does compete in this realm, and the amount we pay those skilled laborers does impact prices. She thanked staff for their work on budgets and prices.

2018 Year-End Audit Planning

Ms. Fahey, Ms. Hart, Mr. Ulrich, and Mr. Simovic offered the Board a report and Power Point presentation on 2018 year-end audit planning. It was offered in the presentation that final audit results for 2018 would be available in April 2, 2019.

Commissioner Helgeson noted changes in reporting that came about from GASB, he wondered if the actions of the Board and staff with respect to funding for pension obligations would, under the new methods mentioned in the report, show improvements, and if so, where would the improvements be seen in our financials.

Mr. Simovic assured Commissioner Helgeson that all his concerns would be covered in the final audit results.

Commissioner Helgeson wondered if it would behoove him more to look at what comes out of PERS, rather than EWEB's own financial statements.

Mr. Simovic said that the PERS report would be released earlier than Moss Adams' final audit results for EWEB.

President Brown asked about the "special audit," because of the \$750,000 threshold with federal funds. He wondered if it was triggered by FEMA, due to previous storm damage.

Mr. Simovic replied that it was uncertain if EWEB would pass the aforementioned threshold this year.

President Brown asked if federal reimbursement (through FEMA) counted toward that threshold.

Ms. Fahey said that it is related to any federal grant that we receive, and FEMA funds were considered grants. She clarified that the \$750,000 threshold is for the total of all federal grants received and is based on when we receive the funds and when they are spent.

Mr. Lawson said there were other grants included, including the Microgrid Grant.

Break

President Brown called for a break at 6:55 p.m. The meeting resumed at 7:06 p.m.

Resolution No. 1827, 2019 State Legislative Agenda

Mr. Heuser offered the Board a report and Power Point presentation on the 2019 State Legislative Agenda. He pointed out at the beginning of the report, that Democrats now had a 3/5 majority in the Oregon State Government. Also salient in the report and presentation, was Carbon Pricing, and EWEB's support of its practice.

Commissioner Simpson spoke to purchasing power from the wholesale market; he said that EWEB might not know the carbon load, and he would be interested in a backgrounder which would give the Board information on the trade-offs associated with establishing Board policy that, barring emergency purchases, would include accurate carbon documentation from all power purchases.

Regarding Community Choice Aggregation (CCA) Authority, he offered that it was very important for public power to keep a close eye on the development.

President Brown asked if it were possible the State Legislature would consider allowing EWEB to test water from other providers for cyanotoxins, since EWEB had that ability, and it would prevent long-distance cyanotoxin testing, and the time and money stresses that long-distance testing would create.

Mr. Heuser replied it was likely that funding would be available with which to create a State Lab for such testing.

Vice President Carlson wondered if any other utilities had committed to carbon pricing.

Mr. Heuser said EWEB was the only utility he knew about in Oregon that had endorsed carbon pricing.

Vice president Carlson asked for more specifics about the term "pole attachment."

Mr. Heuser clarified that meant telecommunications infrastructure.

Vice President Carlson said she was in agreement with the idea of a State water testing lab.

She asked if there was any more data available concerning Quality Based Selection (QBS) impacts on the utility.

Mr. Heuser explained that when the law first came out we had concerns and we looked for changes quickly. We now have more experience, and not just EWEB, but several public contracting agencies and Oregon local governments have identified many

examples. The impact is not just the inability to consider price properly, QBS also elongates the procurement process, which is problematic for urgent work. There is a bill sponsored by the League of Oregon Cities, and EWEB along with several other entities are leading the way in supporting that bill.

Vice President Carlson asked if Legislative Days would be in March again next year.

Mr. Heuser said that was correct.

Commissioner Mital pointed out there were a lot of open-ended things in the Legislative Report, such as PERS, that he did not feel fully comfortable voting without more information. He offered that he had always supported carbon legislation, but was a bit surprised to hear that EWEB wanted to carve out allowances for the small amount of carbon the utility is responsible for; he opined it weakened EWEB's position as a leader.

Mr. Heuser clarified that EWEB was actually not asking for the aforementioned allowances. EWEB's position was one of fairness; if allowances are going to be allocated to other load serving entities, we expect the same.

Commissioner Helgeson, although he agreed with the sentiment, foresaw issues with EWEB's testing lab receiving certification to test any other utility's water. He said he thought their concerns about the Oregon Department of Energy (ODOE) were legitimate, and he felt ODOE was broadening their scope, when they should be focusing it instead.

Commissioner Simpson moved to adopt Resolution No. 1827.

Commissioner Mital asked Mr. Heuser what effect delaying this vote until the January EWEB meeting would have on him.

Mr. Heuser said, without this Resolution, he would be lacking some direction on how to proceed.

Vice President Carlson and Commissioner Helgeson asserted that it would be crucial for the Board to receive regular legislative updates.

Commissioner Simpson's previous motion passed unanimously 5:0.

Customer Experience Improvement Project

Ms. Fahey, Mr. Barton, Ms. McGaughey, and Ms. Krueger offered the Board an update and PowerPoint presentation on the Customer Experience Improvement Project.

Commissioner Simpson asked for reconciliation of forms available for download, versus fillable forms.

Ms. McGaughey said that while the forms were fillable and savable online, there was currently no way to send those forms back to EWEB through its website.

Commissioner Simpson expressed support for the Customer Portal, but asserted he would like that portal to be seamless.

Vice President Carlson said she would like to see allowing the ratepayer to choose their payment date as part of this project.

Commissioner Mital wondered how this project would interact with Customer Information System (CIS).

Mr. Barton replied the Customer Experience Improvement Project was able to leverage current CIS technologies.

Vice President Carlson asked if this project came about because the former CIS system was taking a long time.

Mr. Barton responded no, that EWEB was still on the same CIS system they were on in 2005-06.

Vice President Carlson asked, if they went through with this Customer Experience Improvement Project, would the data that would be exported be a manual process.

Mr. Barton answered that data exportation was currently being done through Kubra.

President Brown said he was under the impression that there were problems with Kubra.

Mr. Barton answered that there had been problems with Kubra, and that staff was actively managing that contract.

President Brown asked that if a customer signed up for auto-pay would they be notified by EWEB when their credit card had expired.

Mr. Barton said that was definitely something they were looking at improving.

Commissioner Mital wondered when the Board would have its next opportunity to get clear on CIS.

Mr. Lawson said that recently, the utility had decided to get out of the mode of picking a system and not deciding what they wanted to do for customers. He offered that since that decision, the utility had been looking more closely at exactly what EWEB ratepayers wanted.

Correspondence and Board Agendas

Mr. Lawson offered the Board a brief report on Correspondence and Board Agendas.

President Brown asked, if EWEB diverted 2/3 of the flow of the McKenzie above Walterville, wouldn't the effects on the diverted water (temperature changes, etc.) count as adversely affecting the river. He pointed out the Lower McKenzie River Water Temperature Study (2018 Results), where it states there were no "adverse effects to the river."

Ms. McLaughlin said that she did not believe the intention of the Lower McKenzie River Water Temperature Study was to say the river temperature was not adversely affected, rather it was to quantify the temperature differences.

Mr. McCann agreed there is indeed a temperature impact.

President Brown asked if there should have been a temperature impact requirement in the licensing of the Leaburg-Walterville project.

Mr. McCann replied no. He said the State of Oregon failed to respond to a 401 Certification request from EWEB within a one-year timeframe and FERC waived the 401 Certification requirement. That was back in 1993, and there were no water temperature standards on the McKenzie in 1993.

Mr. Brown stated that he was told by an individual from Oregon Department of Fish & Wildlife (ODFW) that if not for that omission, there would have been a temperature requirement along that stretch of river.

Mr. McCann responded that temperature requirements came in through the TMDL process in the mid-2000's. The State of Oregon tried to put a temperature allocation through the TMDS process on EWEB but they did not have standing against EWEB because they missed the 401 Certification in 1993. EWEB sued the State of Oregon and won in court. We settled out of court and agreed to mitigation that we had already put in place through the Leaburg-Walterville license and drinking water source protection program. We are doing all the things that we would be required to do, but there was no temperature standard in 1993.

Mr. Lawson clarified that if this were a new project with a temperature requirement, the temperature would be measured above and below the diversion, not within the bypass reach.

Commissioner Helgeson asked if EWEB was out of compliance with any of their licensing.

Ms. McLaughlin said they were not.

Commissioner Mital expressed embarrassment that EWEB heated their buildings with natural gas. He wondered what would be involved in the utility electrifying the heating source(s) in their own buildings.

Mr. Lawson returned that a more in-depth conversation of what is meant by “smart electrification” would be coming up in a future Board meeting.

Commissioner Mital felt that EWEB needed a transition plan in place for its facilities to move away from natural gas as a power source.

Commissioner Helgeson said that it was true that EWEB (and with EWEB’s help, most of downtown Eugene) had converted to natural gas, but at a much higher efficiency than was experienced in the past. He pointed out that this efficiency had actually resulted in a net reduction in the amount of natural gas being burned, and the amount of carbon released into the environment.

Commissioner Mital asked when the Board could expect to see the previously requested metrics on the Low Income Initiative.

Mr. Lawson replied those metrics would be included in the annual metrics, which the Board would receive in January 2019.

Commissioner Mital asserted his original metric request was concerned with what *type* of metrics would be used to guide the Low Income Initiative.

Mr. Lawson said that he and staff would prepare that info and get it to the Board as soon as possible.

Board Wrap Up

Commissioner Helgeson asked Mr. Lawson for a future meeting wherein an update on the outcome of EWEB’s Surplus Declaration would be discussed.

Adjourn

President Brown adjourned the meeting at 8:38 p.m.

Assistant Secretary

President



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD



TO: Commissioners Brown, Carlson, Mital, Helgeson and Schlossberg
FROM: Deborah Hart, Interim Finance Manager; Sarah Gorsegner, Purchasing & Warehouse Supervisor
DATE: December 28, 2018
SUBJECT: Board Appointed Consultants
OBJECTIVE: Board Action-Ratification of Board Appointed Consultants

Issue

At the first Board meeting of the year, the Board is presented with the opportunity to appoint and ratify professional consultants that are retained by the Board outside the competitive selection process.

Background

Consultants are exempt from the competitive selection process when the Board appoints or retains the consultant. The Board Appointed Consultants independently advise and provide professional direction and assessments to the Board without regard to Management's position or interpretation. Consultants are selected based on technical knowledge, areas of expertise, and their historical knowledge and perspective of EWEB and its work.

The following directly appointed contracts are presented for ratification. Contracts may also be presented if they are beyond the routine 5-year contract period following a competitive process. There were no contracts beyond the 5-year contract period this year.

BOARD CONSULTANTS REQUIRING RATIFICATION

Consultant	Service Provided	Tenure	Last Contracted	2018 Spend	2017 Spend
Luvaas Cobb (Eric Defreest Primary Contact)	General Counsel	2011 with Luvaas Cobb ¹	EWEB has two contracts with Luvaas Cobb, one primarily used by staff, and one that is a Board Appointed Contract. Using an RFP process, the staff contract was awarded in Dec 2017, the Board appointed contract was awarded in May 2018.	\$113,000 (\$5,600 Board Appointed Contract)	\$148,000
Arnold Gallagher P.C.	Real Estate Legal Counsel	New in 2018	Direct Negotiation, 2018	None	N/A

Consultant	Service Provided	Tenure	Last Contracted	2018 Spend	2017 Spend
Watkinson Laird Rubenstein P.C.	Real Estate Legal Counsel	New in 2018	Direct Negotiation, 2018	None	N/A

Additional contracts are used by the Board, but they were selected using a competitive process and do not require ratification. These include:

- Cable Huston Benedict Haagensen & Lloyd (Board Approval November 14, 2014)
- Harrang, Long, Gary and Rudnick (Board Approval July 22, 2014)
- Moss Adams (Board Approval July 11, 2017)

Discussion

Each fall, the Board reviews the direct appointment contracts to determine which contracts are still required and to provide performance feedback. This year the feedback suggested that continuing with these contracts is appropriate.

The Cable Huston Benedict Haagensen & Lloyd and Harrang, Long, Gary and Rudnick contracts are at the end of their 5-year term in 2019. Purchasing staff will work with Management to competitively select Special Counsel and Human Resources Legal Counsel Services consultants for use by staff. The Board may also choose to use the Board appointed consultant process for the services these firms provide by notifying the General Manager; and purchasing staff will support the Board in selecting a provider(s).

Recommendation and Requested Board Action

Management requests ratification of consultants Luvaas Cobb, Arnold Gallagher P.C, and Watkinson Laird Rubenstein P.C. to support the Board as Board Appointed Consultants in 2019.

¹ Eric Defreest provided General Counsel to EWEB at Calkins & Calkins prior to 2011 when the contract was assigned to Luvaas Cobb. Calkins & Calkins was retained by EWEB from the 1940’s-2011.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with Delta Star for a single substation transformer for the Weyerhaeuser¹ 3 substation in Springfield, Oregon.

Board Meeting Date: 1/8/2019

Project Name/Contract #: Transformer for Weyerhaeuser 3 Substation

Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$918,000

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0%

Amount this Request: \$918,000

Resulting Cumulative Total: \$918,000

Contracting Method:

Method of Solicitation: Formal Request for Proposals

If applicable, basis for exemption: N/A

Term of Agreement: **One Time Purchase (Goods)**

Option to Renew? No

Approval for purchases "as needed" for the life of the Contract Yes No

Proposals/Bids Received (Range): 10 Proposals ranging from \$730,132 to \$997,814

Selection Basis: Highest Ranked Proposer

Narrative:

Operational Requirement and Alignment with Strategic Plan

The #3 transformer at Weyerhaeuser 3 substation supplies EWEB's largest customer load, the International Paper mill. An outage at this site poses the highest known single Customer economic impact at the utility. Such an outage is also the highest known EWEB impact due to loss of power sales and power production. Failure of this transformer has an effect on generation availability for Turbine Generator #4 on site, because it relies on the Paper Mill to provide steam for production, which would not be able to operate without this transformer in-service.

Based on the following factors, the relatively high level of financial risk (Customer and EWEB impact), and EWEB's strategic objective to maintain reliability, staff have solicited proposals for a replacement transformer and recommend approval of purchase, to the highest ranking proposer, Delta Star.

- The existing transformer is currently rated as the most deteriorated unit still in-service, based on available condition records and age.
- Recent dissolved gas analysis test reports indicate that the unit's condition is declining.
- A full rebuild of this substation is not currently budgeted in the 10 year capital plan due to uncertainty surrounding the future of the mill and the Turbine Generator #4 Joint Operating Agreement with International Paper.
- EWEB does not currently have a suitable spare transformer in stock for this site due to the site's unique space constraints.

¹ Official name of record for site is Weyerhaeuser due to EWEB drawing and asset identifications, due to previous ownership; however current owner of this mill is International Paper.

Contracted Goods or Services

One transformer for EWEB's Weyerhaeuser 3 substation in Springfield, Oregon.

Prior Contract Activities

One 115kV transformer was purchased as a spare from Delta Star in 2013.

Purchasing Process

September 2018, EWEB issued a Formal Request for Proposals (RFP) for the transformer. Forty-five (45) entities reviewed the RFP, which was posted on the State of Oregon's procurement site (ORPIN). Staff also proactively reached out to several firms in advance of the closing date. EWEB received ten (10) responses:

Bidder/Proposer Information

Virginia Transformer
SPX Transformer Solution
Prolec (GE)
Howard Industries
OTC Services
Pennsylvania Transformer Technology
Delta Star
ABB
Hyundai Electric & Energy Systems
WEG Transformers

Bidder/Proposer Location

Pocatello, Idaho
Goldsboro, North Carolina
Conover, North Carolina
Laurel, Missouri
Louisville, Ohio
Canonsburg, Pennsylvania
San Carlos, California
Crystal Springs, Missouri
Seoul, Korea
Washington, Missouri

The responses were evaluated by a cross-functional team based on the weighted criteria stated in the RFP which consisted of Compliance with EWEB Specifications (55%), the Degree of Proposed Changes to the Contract (15%), and Price Proposal (30%). After evaluating and scoring the responses, the Evaluation Team reached consensus that Delta Star provided the best overall value for EWEB.

Competitive Fair Price (If less than 3 responses received)

N/A

ACTION REQUESTED:

Management requests the Board approve a contract with Delta Star for a single substation transformer for the Weyerhaeuser 3 substation in Lane County. Funds for this purchase are being spent out of the Electric Division capital budget. The Electric Division capital budget for 2019 is \$ \$37.3 Million.

EWEB Board Consent Calendar Request

For Contract Increases

The Board is being asked to approve additional funds for the purchase of asphalt cold mix to repair or replace road surfaces during improvement or repair work to water utility infrastructure. Approved additional funds will be added to an existing blanket contract with Lakeside Industries of Portland, OR.

Board Meeting Date: 1/8/2019

Project Name/Contract #: Asphalt Cold Mix / 065-2014

Primary Contact: Mel Damewood Ext. 7145

Contract:

Original Contract Amount: \$226,000 over 5 years

Term of Agreement: June 3, 2015 through June 2, 2020

Additional \$ Previously Approved: \$0

Invoices over last approval: \$58,473

Percentage over last approval: 26%

Amount this Request: \$210,000

Resulting Cumulative Total: \$436,000

Contracting Method:

Method of Solicitation: Invitation to Bid

If applicable, basis for exemption: N/A

Option to Renew? Yes

Approval for purchases "as needed" for the life of the Contract Yes No

Proposals/Bids Received (Range): N/A

Selection Basis: N/A

Narrative:

Operational Requirement and Alignment with Strategic Plan

The Board is being asked to approve an amendment to a current contract with Lakeside Industries, Inc. of Portland, Oregon for the purchase of asphalt cold mix. EWEB requires this product to repair or replace road surfaces when EWEB works on infrastructure located under hard surfaces. The Utility is required to return the hard surfaces to useful condition upon completion of work and uses asphalt cold mix to temporarily repair road or sidewalk surfaces when it is impractical or cost prohibitive to complete permanent restorations during initial work. If approved, staff will continue to purchase asphalt polymer-based cold mix from Lakeside Industries, Inc. on an as-needed basis over the life of the contract which expires in June of 2020. Exact requirements for cold mix are unknown and no guarantee has been made with the contractor to purchase any specific amount.

Contracted Goods or Services

Asphalt "Cold Mix" used to repair or replace road surfaces damaged during repairs of water utility infrastructure.

Purchasing Process

In December 2014, EWEB issued a formal Invitation to Bid (ITB 065-2014) for the purchase of asphalt cold mix. The solicitation was publicly advertised and four bids were received. Lakeside Industries, Inc. was determined to be the lowest responsive and responsible bidder for asphalt Polymer-based cold mix, having met all bid and technical requirements.

Bidder/Proposer Information

Lakeside Industries
Mason's Supply (Masco)
Baker Rock Resources
Wildish Sand & Gravel

Bidder/Proposer Location

Portland, OR
Eugene, OR
Beaverton, OR
Eugene, OR

Contract Activities

In June 2015, the Board approved the award of a five-year contract to Lakeside Industries to provide as-needed asphalt cold mix. The \$226,000 contract amount was estimated based on historical data. Through December 2018 70% of the contract term has expired, and the life-to-date contract costs exceed the Board approved amount by 26%. Purchasing rules allow costs to exceed the contract amount by 25% prior to requesting additional Board approval. Over the last 3 ½ years, the Water Utility has focused on main replacements. In 2017 main replacements exceeded the Water Utility goal by 30%, and in 2015 main replacement costs were 35% over budget due to emergent work. Additionally, the majority of the Water Utility's work on the Lane Transit District EMX project was completed in 2015. These projects significantly increased the use of asphalt cold mix over historical estimates.

Purchasing staff will work with operations staff to request Board approval in advance of future purchases exceeding the 25% threshold.

ACTION REQUESTED:

Staff requests the Board approve additional funds to continue purchasing asphalt cold mix from Lakeside Industries via the price agreement established under contract 065-2014. Funds for these additional purchases are budgeted for 2019.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a one-time purchase with Monitor Mapboard Systems for a real-time system mapboard for the Dispatch Control Center at the Roosevelt Operations Center.

Board Meeting Date: 1/8/2019

Project Name/Contract #: Real-Time System Mapboard

Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$342,000

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0%

Amount this Request: \$342,000

Resulting Cumulative Total: \$342,000

Contracting Method:

Method of Solicitation: Direct Negotiation

If applicable, basis for exemption: Rule 3-0275 Sole-Source Procurements

Term of Agreement: **One Time Purchase (Goods)**

Option to Renew? No

Approval for purchases "as needed" for the life of the Contract Yes No

Proposals/Bids Received (Range): Direct Negotiation

Selection Basis: Sole Source

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB is replacing its mimic board used to display real time status of the electrical system. The replacement is due to moving the Dispatch Control Center from the Headquarters Building to the Roosevelt Operations Center (ROC) and downsizing the available space. The reduced space at the ROC will not accommodate the existing mimic board.

Contracted Goods or Services

Contract activities include providing a print ready digital file of our mapboard, and manufacturing and installing the mimic board. Components to be provided include a: Digital System Operating Drawing (DWG), 774 Graphic Steel Modules for system display, Steel Supporting Structure for display tiles, Dynamic Display Control System (software to run mapboard displays), and Training and Tools for EWEB to make future updates.

Prior Contract Activities

None

Purchasing Process

Staff requested informal pricing from the only two companies who produce utility-grade mimic boards: Monitor Mapboard Systems and Mauell Corporation. Original pricing was based on an estimated number of tiles and mapboard points. Monitor Mapboard System priced the mapboard at \$319,000 and Mauell Corporation priced the mapboard at \$325,000. The final contract price is \$342,000 based on actual point count with additional points for expansion. In addition, staff evaluated the functionality offered and determined that Monitor Mapboard Systems is a Sole Source for this purchase due to desired functionality and compatibility with current Dispatch practices including mapping and system layouts that can be updated in real time by EWEB staff and the mapboard offered by Monitor Mapboard Systems is made of a magnetic material allowing Dispatchers to continuing the current system of magnetic tagging which shows switch positions.

Bidder/Proposer Information

Monitor Mapboard Systems
Mauell Corporation

Bidder/Proposer Location

Dublin, OH
Dillsburg, PA

Competitive Fair Price (If less than 3 responses received)

There are only two companies who produce utility-grade mimic boards. Staff requested proposals from each one. Only the Monitor mapboard is compatible with EWEB current operating practices and price is close to the Mauell Corporation's offer.

ACTION REQUESTED:

Management requests the Board approve a contract with Monitor Mapboard Systems to purchase a Mimic board for the new Dispatch control center at the Roosevelt Operation Center. Funds for this purchase are being spent out of the existing Electric Division budget. The Total Electric Division budget for 2019 is \$ \$37.3 Million.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to authorize use of a cooperative contract with HGAC to purchase 2-way radio equipment from Motorola Solutions, Inc.

Board Meeting Date: 1/8/2019

Project Name/Contract #: RA05-2018 for Two-way Radio Equipment

Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$0
Additional \$ Previously Approved: \$0
Invoices over last approval: \$0
Percentage over last approval: 0%
Amount this Request: \$326,000
Resulting Cumulative Total: \$326,000

Contracting Method:

Method of Solicitation: Cooperative Contract; Sole Source SS-374

If applicable, basis for exemption: N/A

Term of Agreement: 01/09/2019-10/31/2019

Option to Renew? No

Approval for purchases "as needed" for the life of the Contract: Yes No

Proposals/Bids Received (Range): N/A

Selection Basis: N/A

Narrative:

Operational Requirement and Alignment with Strategic Plan

The purpose of this project is to accommodate the EWEB plans to move primary Electric Dispatch and Power Trading departments/functions from the downtown headquarters building to the ROC (Roosevelt Operations Center). This requires installation of a two-way radio system that supports radio dispatch consoles, primary dispatch functions, and is not dependent on off-site equipment. Backup dispatch functions will move to the downtown headquarters building while the building is still owned, with a subsequent backup dispatch set up in parallel.

The EWEB's strategic priority of maintaining optimal Emergency Preparedness & Disaster Recovery functions requires radio dispatch functions are maintained, reliable, and interruption kept to a minimum. New Dispatch radio system components must be installed at the ROC to meet this objective. This project will focus on the design, procurement, installation, and commissioning of a new Dispatch Radio System.

Contracted Goods or Services

This contract includes equipment, material, design and installation services, which includes, but are not limited to the following:

1. Hybrid combiners for control stations assigned to wide area network Talk Groups (designated voice channels on the radio system);
2. Control stations and gateways to accommodate local equipment;
3. Gateways and interface equipment to accommodate the Zetron system;
4. Remote control station upgrades located at the Carmen Smith (Belknap and Smith Ridge backup) Project;
5. All hardware, mounting brackets, cabling, connectors, etc. required for installation;
6. Installation and configuration of all equipment provided;
7. Configuring Dispatch consoles connected to the EWEB supplied Voice over Internet Protocol (VoIP) network;
8. System commissioning and Field Acceptance Tests.

Prior Contract Activities

2017 –MIP5000 Dispatch Consoles Upgrade
Motorola sole source SS-351 / H-GAC contract.

Purchasing Process

Staff recommends purchasing the radio equipment through the cooperative contract with Motorola/Day Wireless. A sole source justification was approved by management to purchase Motorola Brand equipment on November 6, 2018, due to the fact that EWEB is an active member/part owner of the LRIG system, which is a consortium of local and county public agencies, and the use of the Motorola system is proprietary to the system.

ACTION REQUESTED: Management requests that the Board authorize use of a cooperative contract with HGAC to purchase 2-way radio equipment from Motorola Solutions, Inc. Funds for this purchase are being spent out of the Electric Division capital budget. The total Electric Division capital budget for 2019 is \$37.3 Million.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Contract with Pivot Architecture for Roosevelt Operations Center Consolidation and Interior Remodel Architectural and Engineering Services.

Board Meeting Date: 1/8/2019

Project Name/Contract #: HQ to ROC Feasibility Space Planning Services / Q2528

Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$121,000

Additional \$ Previously Approved: \$

Invoices over last approval: \$0

Percentage over last approval: 43%

Amount this Request: \$52,000

Resulting Cumulative Total: \$173,000

Contracting Method:

Method of Solicitation: Sole Source

If applicable, basis for exemption: EWEB Rule 3-0275, Sole-source Procurements

Term of Agreement: 12/13/2019

Option to Renew? Yes

Approval for purchases "as needed" for the life of the Contract Yes No

Proposals/Bids Received (Range): N/A

Selection Basis: N/A

Narrative:

Operational Requirement and Alignment with Strategic Plan

The original contract was based on consolidating most staff to the ROC location, but leaving approximately 75 employees at the downtown location including Customer Services staff. After the initial design and construction contracts were completed and approved, the decision was made to consolidate a much larger group to the ROC, including Customer Service, resulting in significant revisions to the existing floor and office plans to accommodate the additional staff. The additional fees include provisions for acoustical engineering for the call center, as well as additional structural engineering. Based on the original scope Pivot would have stayed within the threshold for a direct negotiation.

Contracted Goods or Services

Initially Pivot looked at the feasibility of relocating some staff from headquarters to the ROC. For the original scope of work, Pivot worked with EWEB workgroups to determine the best use of space and created construction documents for bidding, permitting and construction purposes. Once it was decided to bring all the staff to the ROC (Call Center, Customer Services group) additional engineering and architectural work was required to alter existing plans, which included remodel work in previously untouched areas.

Prior Contract Activities

Original ROC design, consolidation feasibility work, and HQ North Building feasibility space planning services.

Purchasing Process

PIVOT was the architecture team on the original building design and completed the preliminary space analysis. They have extensive knowledge of the building and EWEB staffing and operational requirements that other firms either do not have or would take significant time and effort to research and develop. PIVOT has working knowledge of the structure and systems of the ROC.

Bidder/Proposer Information

Pivot Architecture

Bidder/Proposer Location

Eugene, OR

Competitive Fair Price (If less than 3 responses received)

Total contract amount: \$173,000.

Pivot's hourly rates are consistent with other architecture firms, Pivot would likely be more efficient because they already had the drawings to their standards (since they drew them originally) and a new firm would have to develop an understanding of how the various EWEB workgroups function and collaborate. Further, EWEB wants to keep the remodel work consistent with existing standards; Pivot developed these Standards and Specifications.

ACTION REQUESTED:

Management requests the Board approve a Contract with Pivot Architecture for Roosevelt Operations Center Consolidation and Interior Remodel Architectural and Engineering Services. Funds for these services were budgeted for 2019. The ROC/HQ consolidation project budget is \$1.8 Million and the Total Electric Division budget for 2019 is \$37.3 Million.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Contract with Sanipac for Solid Waste and Recycling Services.

Board Meeting Date: 1/8/2019

Project Name/Contract #: Solid Waste & Recycling Services / RFP # 061-2018

Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$165,000 over 5 years (estimate)

Additional \$ Previously Approved: \$0.00

Invoices over last approval: \$0.00

Percentage over last approval: 0.0%

Amount this Request: \$165,000

Resulting Cumulative Total: \$165,000 over 5 years (estimate)

Contracting Method:

Method of Solicitation: Formal Request for Proposals

If applicable, basis for exemption: N/A

Term of Agreement: **5 Years**

Option to Renew? Yes

Approval for purchases "as needed" for the life of the Contract Yes No

Proposals/Bids Received (Range):

Selection Basis: Highest scoring, responsive and responsible proposal

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB is committed to a waste minimization/materials management approach to manage our waste generation, which leads to good financial responsibility. Sanipac is capable of meeting EWEB's efficiency needs.

Contracted Goods or Services

This contract requires solid waste collection and recycling services, with an emphasis on garbage reduction. Sanipac hauls separated waste, co-mingled recycling, glass, and food waste from Headquarters and ROC on a weekly basis, and on-call as needed. The cost of these services has averaged \$33,000 per year over the last five years. The actual total dollar amount for the next five years is unknown and the total may be more or less than the estimated \$165,000. The new contract will be for five years.

Prior Contract Activities

From 2000 to 2013, EWEB has directly awarded contracts to Sanipac for solid waste collection and recycling services under EWEB's Exemption from Bidding Contracts for Price Regulated Items. The Board has approved these contracts with Sanipac in 2003, 2008, and 2013. In 2013, EWEB issued an RFP to seek proposals from hauling contractors to help EWEB implement a new waste minimization approach. Sanipac was selected as the highest ranked proposer. Sanipac has proven to be a collaborative partner since 2000, providing good service, while maintaining reasonable costs that are regulated by the City of Eugene.

Purchasing Process

Staff issued and advertised a Formal RFP in November, 2018. EWEB received one proposal from Sanipac.

Bidder/Proposer Information

Sanipac Inc.

Bidder/Proposer Location

Eugene, OR

Competitive Fair Price (If less than 3 responses received)

Waste collection rates are established and regulated by the City of Eugene (COE) and costs must be within the minimum/maximum range as outlined in the current COE Solid Waste Collection Rate Schedule (waste haulers are allowed to charge up to 10% more than the minimum regulated rate). Sanipac offers the lowest regulated rate, and does not charge in excess of the minimum allowed. Also, Sanipac does not charge EWEB for recycling services and other waste reduction services.

ACTION REQUESTED:

Management requests the Board approve a contract with Sanipac for Solid Waste and Recycling Services. Funds for these services were budgeted in the Building Operations, Physical Security and Fleet Services Operations and Maintenance budget for 2019, the budget for 2019 is \$ 6.9 Million.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Contract with Systems West Engineering for Roosevelt Operations Center Consolidation and Interior Remodel Architectural and Engineering Services.

Board Meeting Date: 1/8/2019

Project Name/Contract #: ROC Consolidation Project - Mechanical & Electrical Engineering Services - Contract # Q2652

Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$98,400

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 36%

Amount this Request: 56,250

Resulting Cumulative Total: \$154,650

Contracting Method:

Method of Solicitation: Sole Source

If applicable, basis for exemption: EWEB Rule 3-0275, Sole-source Procurements

Term of Agreement: 12/13/2019

Option to Renew? Yes.

Approval for purchases "as needed" for the life of the Contract Yes No

Proposals/Bids Received (Range): N/A

Selection Basis: N/A

Narrative:

Operational Requirement and Alignment with Strategic Plan

The original contract was based on consolidating most staff to the ROC location, but leaving approximately 75 employees at the downtown location including Customer Services staff. After the initial design and construction contracts were completed and approved, the decision was made to consolidate a much larger group to the ROC, including Customer Service, resulting in significant revisions to the existing floor and office plans to accommodate the additional staff. The additional fees include provisions for acoustical engineering for the call center, as well as additional structural engineering. Based on the original scope, Systems West would have stayed within the threshold for a direct negotiation, however with this emergent change in design, the contract has passed the direct negotiation threshold, requiring a sole source approval.

Contracted Goods or Services

Initially, Systems West analyzed the feasibility of relocating some staff to the ROC and determined the plan viable. Once it was determined to move forward with the complete consolidation effort, Systems West worked with Pivot Architecture to develop Mechanical, Electrical, and Plumbing (MEP) construction documents for bidding, permitting and construction purposes. After the decision to bring additional staff to the ROC (Call Center, Customer Services groups), additional work was required to alter existing plans, which included remodel work in previously untouched areas.

Prior Contract Activities

Commissioning of ROC Mechanical/Electrical Systems, HQ HVAC work/upgrades, above ground fuel storage at ROC.

Purchasing Process

Systems West was the MEP team responsible for commissioning the original building design and were involved in the preliminary space analysis. They have extensive knowledge of the building and EWEB staffing and operational requirements that other firms either do not have or would take significant time and effort to research and develop. Systems West has working knowledge of the structure and systems of the ROC.

Bidder/Proposer Information

Systems West Engineers, Inc.

Bidder/Proposer Location

Eugene, OR

Competitive Fair Price (If less than 3 responses received)

Total contract amount: \$154,650.

Systems West Engineers hourly rates are consistent with other MEP firms, Systems West will likely be more efficient because of an already established understanding of the ROC's Mechanical Systems. There were significant issues with the original MEP firm selected on the ROC remodel, which Systems West corrected during commissioning.

ACTION REQUESTED:

Management requests the Board approve a Contract with Systems West Engineers, Inc. for ROC Consolidation Project - Mechanical & Electrical Engineering Services. Funds for these services were budgeted for 2019. Funds for this purchase are being spent out of the existing Electric Division budget. Management requests the Board approve a Contract with Pivot Architecture for Roosevelt Operations Center Consolidation and Interior Remodel Architectural and Engineering Services. Funds for these services were budgeted for 2019. The ROC/HQ consolidation project budget is \$1.8 Million and the Total Electric Division budget for 2019 is \$37.3 Million.

EWEB Board Consent Calendar Request

For Contract Awards and Renewals

The Board is being asked to approve a new contract with Whitlock Consulting Group (WCG) for the Customer Experience Improvement project consulting and RFP development.

Board Meeting Date: 1/8/2019

Project Name/Contract #: Customer Experience Improvement Project, Consultant Selection RFP 064-2018

Primary Contact: Matt Barton Ext. 7109

Contract Amount:

Original Contract Amount: \$185,000

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0%

Amount this Request: \$185,000

Resulting Cumulative Total: \$185,000

Contracting Method:

Method of Solicitation: Formal Request for Proposal

If applicable, basis for exemption: N/A

Term of Agreement: **1 Year**

Option to Renew? No

Approval for purchases "as needed" for the life of the Contract Yes No

Proposals/Bids Received (Range): 4 responses (\$163,800 to \$695,000)

Selection Basis: **Highest scoring, responsive and responsible proposal**

Narrative:

Operational Requirement and Alignment with Strategic Plan

For several months, Management and staff have been reviewing and implementing ways to improve our customers' experience as part of the Strategic Plan Phase I to Enhance Customer Confidence. Implementing a customer self-service solution (CSS) and updating the Electronic Bill Payment and Presentment System (EBPP) will allow customers to view and manage their account online and interact with us at a time and with a method that is convenient for them. It will also be an important first step to offering new information as well as new products and services to customers. An experienced consultant will provide knowledge of the current marketplace, system offerings, and best business practices making the selection process more efficient and effective. In October 2018, staff requested proposals from consultants interested in providing support for the selection of a CSS and EBPP. Four proposals were received, and Whitlock Consulting Group (WCG) was the highest-ranked proposer.

Contracted Goods or Services

EWEB issued an intent to award a contract to WCG to provide EWEB expert advice in the development of CSS and EBPP RFP specifications that solicit responses from several high quality software providers. If approved, WCG will be contracted to review existing business processes, recommend areas for improvement, gather requirements, provide expert advice on marketplace system capabilities, assist in developing specifications, and support contractual negotiation strategies.

Prior Contract Activities

WCG has provided support to EWEB on three projects. The first was awarded to WCG in late 2017 via Formal RFP to support the Customer Information System (CIS) Replacement project. WCG's role in this project was to provide training, quality assurance, data conversion, and configuration management services. The contract was awarded for approximately \$1.5 million and \$400,000 was spent before the CIS project was cancelled. Much of the work performed is transferrable to any future CIS system implementation.

WCG was contracted in August 2018 to help EWEB Information Services evaluate the feasibility of upgrading the existing Customer Information System (CIS). The \$15,000 contract was completed on time and within budget.

EWEB also contracted with the WCG in Q3 and Q4 of 2018 to evaluate current customer service and billing processes and provide options and next steps for implementing EWEB's technology roadmap. The \$22,700 contract was completed on time and within budget.

Purchasing Process

A formal RFP was issued October 31, 2018 and closed November 29, 2018. The solicitation was posted to the Oregon Procurement Information Network (ORPIN) – four proposals were received. After review, the evaluation committee scored WCG as the highest ranked offeror based on evaluation criteria that included firm experience, key staff experience, references, and pricing. WCG ranked highest in all five of the selection criteria. During the process WCG demonstrated a strong knowledge of the CSS and EBPP marketplace. Additionally, they have a proven track record developing RFPs that have led to successful selections and implementations.

Bidder/Proposer Information

Gartner Consulting
Global Power Consulting
Incoho Consulting Group
Whitlock Consulting Group

Bidder/Proposer Location

Seattle, WA
San Ramon, CA
Chicago, IL
Columbia, SC

The RFP also requested information on Phase II system implementation support services. EWEB will determine the scope of work associated with Phase II depending on EWEB project team availability and expertise, implementation approach by the selected software vendors, consultant experience, and the ability to agree on terms and scope of work. If Management believes it would be in EWEB's best interest to retain WCG for these services, a contract would be brought to the Board for approval at that time.

ACTION REQUESTED:

Management requests the Board approve a new contract with Whitlock Consulting Group for the Customer Experience Improvement project consulting and RFP development. Funds for this work were budgeted for 2019. Total IS Division O&M budget for 2019 is \$11 Million.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with Wildish Paving Co. dba: Wildish Building Co., Eugene, OR for construction services at the Carmen Power Plant.

Board Meeting Date: 1/8/2019

Project Name/Contract #: 050-2018, Carmen Power Plant Upgrades - Substation and Switchgear Installation

Primary Contact: Susan Ackerman Ext. 7185

Contract Amount:

Original Contract Amount: \$4,577,000

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0%

Amount this Request: \$4,577,000

Resulting Cumulative Total: \$4,577,000

Contracting Method:

Method of Solicitation: Formal Invitation to Bid

If applicable, basis for exemption: N/A

Term of Agreement: **One Time Purchase (Construction and Installation Services)**

Option to Renew? No

Approval for purchases "as needed" for the life of the Contract Yes No

Proposals/Bids Received (Range): **\$4,577,000**

Selection Basis: Lowest Responsible and Responsive Bidder

Narrative:

Operational Requirement and Alignment with Strategic Plan

The Carmen Smith Hydro Project relies on 1963 vintage substation transformers, circuit breakers, switchgear, protection relays and control equipment for operation and power delivery of the hydroelectric generators. This substation and control equipment has reached the end of its useful service life as evidenced by a number of reliability issues that EWEB has experienced in recent years. These performance issues also indicate an increased risk of safety hazards. EWEB is currently mitigating those hazards with conservative operational practices and will eliminate them by modernizing the substation and control equipment at the plant. This project is part of the overall renewal efforts underway at the Carmen Power Plant, which together will prepare the facility for another 40 years of safe and reliable operation under a new FERC operating license. The construction and installation services to be procured with this contract are necessary for control, protection and operation of the Carmen-Smith power generation system.

Contracted Goods or Services

Overall project objectives are to make structural improvements and roof repairs to the Carmen Power Plant, rehabilitate the substation, install switchgear and create a new control room, and install new relay and controls for the Carmen Power Plant as part of the EWEB Major Rehabilitation Program.

Project scope:

- Installation of owner furnished equipment to essentially rebuild the substation including transformers, breakers, switchgear, relay panels controllers and other related gear.
- Construction of a control room on the turbine floor
- Powerhouse structural repair, seismic retrofits, and roof replacement.

Prior Contract Activities

Wildish has previously provided a significant amount of work for EWEB in the past. Examples include:

- CM/GC contract for Carmen-Smith improvements (#002-2011.)
- Smith Debris Boom and Spillway (010-2018)
- Leaburg Rollgate Improvements (042-2013)
- Carmen Hoist Improvements (023-2017)

Purchasing Process

Staff issued a formal Invitation to Bid on October 2, 2018. EWEB sent notification of the bid directly to 35 companies who had participated in or expressed interest in two past substation bids. The bid was posted on the bid site for the state of Oregon (ORPIN), as well as advertised in the Portland Daily Journal of Commerce. Fourteen (14) companies attended the mandatory pre-bid meeting, including several large electrical firms who could have bid as the primary contractor. The bid was extended 2 weeks longer than the average time given to respond to a formal bid and there were a good deal of questions from perspective contractors that were responded to via the addenda process.

One bid was received from Wildish Paving Co. dba: Wildish Building Co., Eugene, OR and was found to be Responsive and Responsible. If approved, Wildish Paving Co. dba: Wildish Building Co., Eugene, OR will provide construction services, as specified in the solicitation documents.

Bidder/Proposer Information

No Other Bids Received

Bidder/Proposer Location

Competitive Fair Price (If less than 3 responses received)

Black and Veatch Engineering was retained by EWEB to design the substation and provided a Class 1 Opinion of Probable Construction Cost estimate that ranged from \$3,832,200 to \$4,543,300. Estimates produced using this methodology have a range of plus 15% to minus 3%. Wildish’s bid of \$4,577,000 is slightly higher at 15.8% above the base bid estimate of \$3,950,700, but within acceptable limits. Only one bid was received for this particular project. This project presented unique challenges to contractors which likely discouraged them from submitting bids. The combination of civil infrastructure repair with generation substation reconstruction is an atypical arrangement for most substation contractors that introduces additional schedule and project risk, along with complexity to the project. Informal feedback from bidders also indicated that the industry in general lacks the labor and construction management capacity to be able to complete all projects currently available in the industry. Management has considered delaying the project, but determined that the bidding climate is not likely to improve in the next year, while the existing equipment continues to age and the project needs would not change. Additionally, other necessary refurbishment projects already under contract would need to be delayed, resulting in certain cost increases.

ACTION REQUESTED:

Management requests the Board approve a contract with Wildish Paving Co. dba: Wildish Building Co., Eugene, OR for construction services. Funds for the purchase were budgeted for 2019. The total Carmen-Smith Relicensing Type 3 budget for 2019 is \$14.98 million.



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Mital, Helgeson and Schlossberg
FROM: Sue Fahey, Chief Financial Officer; Deborah Hart, Interim Finance Manager; Susan Eicher, Assistant Treasurer
DATE: December 28, 2018
SUBJECT: Supplemental Retirement Plan Committee
OBJECTIVE: Approval of Resolution No. 1902

Issue

EWEB maintains a Supplemental Retirement Plan (SRP) that requires the annual appointment of a committee to make certain decisions.

Background

The EWEB SRP was created in 1968 and closed to new participants in 1988. The objective of the plan is to provide a benefit on retirement which, together with the benefit from PERS, will provide 1.67% of the highest 36-month average salary for each year of service. Independent actuaries determine employer contributions. The plan currently has 25 participants or beneficiaries to whom payments are made. In 2018 EWEB paid \$145,000 in supplemental retirement benefits, down from \$171,000 and \$233,000 in 2017 and 2016, respectively. There have been no recent changes in the design or terms of the plan, and none are anticipated in the future.

Discussion

EWEB funds the plan on a “pay as you go” basis, and the SRP committee monitors and administers the plan. A contracted payroll service prepares monthly checks and tax documentation for plan participants. The terms of the plan include a cost of living adjustment (COLA) based upon the rate used by the Oregon PERS plan. The plan requires committee members to be appointed by the Board of Commissioners.

Recommendation

Management requests that the Board approve the appointment of Deborah Hart, Interim Financial Services Manager, Jeremy Whittlesey, Payroll Administrator, and Laura Fowler, Benefits Consultant, to the Supplemental Retirement Committee.

Requested Board Action

Approval of Resolution No. 1902

**RESOLUTION NO. 1902
JANUARY 2019**

**EUGENE WATER & ELECTRIC BOARD
ANNUAL APPOINTMENT OF SUPPLEMENTAL RETIREMENT PLAN COMMITTEE**

WHEREAS, the Eugene Water & Electric Board maintains a Supplemental Retirement Plan in effect since January 1, 1968, which was last amended and restated in July 1988, with an objective to provide a benefit on retirement which supplements Oregon PERS benefits;

WHEREAS, the Supplemental Retirement Plan is a single-employer plan providing retirement, death and disability benefits to a closed group of EWEB retirees and their beneficiaries;

WHEREAS, a Trust was created in accordance with the Pension Trust Agreement effective May 16, 1975, for the benefit of funding the Supplemental Retirement Plan;

WHEREAS, funding of the plan since is provided by Board contributions, deposited to the existing trust account as needed to meet obligations to retirees, together with earnings on plan assets;

WHEREAS, the Supplemental Retirement Plan provides for annual appointment and reappointment by the Board of a Retirement Committee of three to seven members charged with the general administration of the Plan, subject to the consent and approval of the Board of Commissioners;

WHEREAS, Management recommends the Board appoint Deborah Hart (Interim Finance Manager), Laura Fowler (EWEB Human Resources Benefits Consultant), and Jeremy Whittlesey (EWEB Payroll Administrator), as EWEB personnel without rights in or to the Supplemental Retirement Plan funds, be appointed to the Retirement Committee;

NOW, THEREFORE, BE IT RESOLVED by the Eugene Water & Electric Board that:

The Board continues the Supplemental Retirement Plan without amendment, and hereby reappoints the Retirement Committee to be comprised of Deborah Hart, Laura Fowler, and Jeremy Whittlesey.

The Retirement Committee shall continue to administer the Supplemental Retirement Plan in accordance with its terms, and remain as trustee fulfilling applicable duties under the 1975 Pension Trust Agreement. The trust account may be maintained at a zero or minimal balance within the discretion of the Retirement Committee. Based upon the closed membership in the Supplemental Retirement Plan and the anticipated budget requirements to cover benefit payments in the future, the Board does not require the Supplemental Retirement Plan to be pre-funded. The Board will continue to fund the Supplemental Retirement Plan contributions as a budgetary item on a prospective basis.

Dated this 8th day of January 2019.

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President

I, ANNE M. KAH, the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its January 8, 2019 Board Meeting.

Assistant Secretary

**RESOLUTION NO. 1903
JANUARY 2019**

**RESOLUTION DECLARING SURPLUS
FOR CERTAIN REAL PROPERTY NO LONGER NEEDED FOR UTILITY PURPOSES
EUGENE WATER & ELECTRIC BOARD**

WHEREAS, EWEB holds title to a 1.07 acre parcel of land identified on Lane County Assessor's Map #18-04-08-00 Tax Lot 103, Lane County, Oregon, vested in the name of the City of Eugene, Lane County, Oregon, a municipal corporation, for the use and benefit of Eugene Water & Electric Board;

WHEREAS, the property is no longer needed for utility purposes;

WHEREAS, Eugene Code, Section 2.195 provides Eugene Water & Electric Board – Duties and Powers: "*The board shall have entire control of the water and electric utilities of the city, and all property connected therewith.*";

WHEREAS, The EWEB Board of Commissioners have endorsed EWEB's Property Management Policies and Procedures for the disposal of surplus property based on current and future utility needs, land use, and environmental considerations. EWEB Water Utility Managers have considered the present and future needs and are recommending that this property be declared surplus.

NOW, THEREFORE, BE IT RESOLVED by the Eugene Water & Electric Board that:

- (i) The Board does hereby declare surplus the property described in the attached Exhibit A and illustrated in the attached Exhibit B; and
- (ii) Instructs the General Manager to notify the City Manager of the opportunity to obtain the property for municipal purposes as provided by Eugene Code 2.196; and
- (iii) Proper easements be reserved for current or future EWEB facilities.

Dated this 8th day of January 2019.

THE CITY OF EUGENE, OREGON
Acting by and through the
EUGENE WATER & ELECTRIC BOARD

President

I, ANNE KAH the duly appointed, qualified and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its January 8, 2019, Regular Board Meeting.

Assistant Secretary

EXHIBIT A

Beginning at the Northwest Corner of the Northeast Quarter of the Northwest Quarter of Section 8, Township 18 South, Range 4 West of the Willamette Meridian, and the TRUE POINT OF BEGINNING; thence South along the West line of said Northeast quarter of the Northwest quarter, 660 feet to a point; thence East parallel with the North line of said Section 8, 180 feet to a point; thence North parallel with the West line of said Northeast quarter of the Northwest quarter, 180 feet to a point; thence West parallel with the North line of said Section 8, 150 feet to a point; thence North parallel with the West line of said Northeast quarter of the Northwest quarter, 480 feet to the North line of said Section 8; thence West, 30 feet to the true point of beginning, in Lane County, Oregon.



Note: This exhibit does not represent a survey and is only intended to compliment the attached Resolution for clarification purposes.

Lane County Assessor's
Map # 18-04-08-00 Tax Lot 103

Scale: None

Date: 1/8/2019

By: O'Dell

EXHIBIT "B"