

EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
September 3, 2024
5:30 pm

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

Others Present: Frank Lawson, EWEB General Manager; Rodney Price, Assistant General Manager; Deborah Hart, Assistant General Manager/Chief Financial Officer; Karen Kelley, Chief Operations Officer; Lisa Krentz, Generation Manager; Brian Booth, Chief Energy Resource Officer; Megan Capper, Energy Resource Manager; Aaron Yale-Bush, Senior Energy Resource Analyst; Jonathan Hart, Power Planning Supervisor; Wally McCullough, Water Engineering Supervisor; Deborah Galardi, Consultant, Galardi Rothstein Group

REGULAR SESSION

Call to Order

President McRae called the meeting to order at 5:30 pm.

Agenda Check [0:0:15]

No changes to the agenda

Items from Board Members and General Manager [0:0:21]

Commissioner Brown referred to past snow and ice storms saying that communications companies need to do their fair share to address downed lines and EWEB should get them to take care of their tree trimming responsibilities just as EWEB must do. He wanted to remind staff that it needed to remain on their radar. He also asked about the watershed recovery fee.

Mr. Lawson said the watershed fee discussion would take place in October and the fee would expire in 2026, and they felt there were still some obligations under the recovery aspect of the fee's original definition.

Mr. Lawson added they had an introductory discussion with City of Eugene Management and some subject matter experts on climate strategies. He said they would continue to have discussions down the road but had no further updates at this time.

Correspondence [0:1:20]

Mr. Lawson said there were two pieces of correspondence. In the first, (the 2023 Audit Management Letter Update) there were very few actions in their audit, and the second was an initial take on what they would see in the 2025 legislative session.

Commissioner Carlson congratulated everyone who worked on the Columbia River Treaty Modernization agreement.

Public Input [0:7:26]

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

Alan Gormezano of Eugene, OR Ward 1, spoke in opposition to smart meters, specifically stating that science and efficiency, without awareness of the effects on humans, can be detrimental to human health. He added that with the rush to electrify he was concerned about what would happen when they ran out of electricity resources.

Linda Kelley of Eugene OR, Ward 1, encouraged the board to protect low-income households when it came to their price increases and advocated for a percentage of income plan. She added that EWEB's aid programs needed to be more robust.

Patty Hine of Eugene OR, encouraged the board to consider a progressive rate design, specifically stating that EWEB had an impressive climate action plan and with rising energy prices they needed to consider options to protect low-income households.

Dennis Hoerner of Eugene OR, Ward 3, spoke in opposition to smart meters, specifically stating he held a lack of trust in the organization, that smart meters are harmful to human health, and that he will accept one under duress.

Aya Cockram of Eugene OR, Ward 1, encouraged the board to expand the programs for heat pumps and other energy efficient alternatives. She added that EWEB should consider a progressive rate design to protect low-income households.

Commissioner Carlson appreciated the information given tonight and looked forward to their discussion on rate design.

President McRae appreciated the conversation around rate design and looked forward to that discussion.

Mr. Lawson said rate design was a significant part of engagement with the community and there would be push and pull across different objectives and values and it would test the board, and it would test staff to bring the board the right information.

Commissioner Brown said it was his understanding that heat pumps stopped working at a certain point when the temperature got too low.

Mr. Lawson explained there was a range of function, and the temperature at which it crossed over from heat pump mode to a resistive type of heating, varied depending on the type of heat pump. He added that timing would tend to be coincident to EWEB's peak loads.

Commissioner Brown added that if they were to consider time of use rates, the timing of peak loads should be considered.

Mr. Lawson said managing the peak during winter and summer would have to be considered, and some EWEB scale storage may help manage the issue.

Commissioner Schlossberg looked forward to the rate design discussion, but felt they kept going in circles on energy efficiency upgrades for low-income renters. She was curious if they would ever make any progress on moving forward.

Mr. Lawson said that rate design was not the same as incentive work, but the data they had showed that low-income did not mean low usage. He explained that a piece of rate design impacted overall rate distribution, but not usage.

President McRae asked if it was fair to say that low-income households had higher bills because they didn't have the funds to make energy efficient improvements.

Mr. Lawson said they had not seen that in their data, but ultimately efficiency, independent of the fuel source, would aid conservation and is an important aspect of managing energy supply.

BOARD ACTION AND GENERAL BUSINESS ITEMS

Approval of Consent Calendar – A (Minutes and Routine Contracts) [0:34:02]

MINUTES

1. August 6, 2024 Regular Session

CONTRACTS

2. **Cornforth Consultants** – for Dam Safety Engineering Consulting Services. \$1,000,000 (over 10 years) based on Formal Request for Proposals.
3. **L.R. Brabham and OEG** – for Commercial Electrical Services for EWEB owned Facilities. \$550,000 (over 5 years between two contracts) based on Formal Invitation to Bid.
4. **Nelson Truck Equipment Company, Inc.; Olympus Technologies, Inc. dba Cascade Truck Body & Trailer Sales; and Scelzi Enterprises, Inc.** - for the purchase, installation, & repair of vehicle related bodies, components, and accessories, to include trailers & accessories. \$1,400,000 (Over 5-years between three contracts) based on Formal Request for Proposals.

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

Approval of Consent Calendar – B (Nonroutine Contracts and Other Consent Items)
[0:34:25]

CONTRACTS

5. **Black & Veatch** – for additional funds for engineering services for the Carmen Smith Power Plant Upgrades Project. \$2,000,000 based on Formal Request for Proposal (Original contract amount \$6,000,000, additional previously approved, \$2,000,000, cumulative total \$10,000,000).

INTERGOVERNMENTAL AGREEMENT

6. **McKenzie Fire and Rescue (MFR)** – for the McKenzie Valley Fuels Reduction Project. \$325,000 (over 2 years) based on Direct Negotiation.
7. **Oregon Department of Forestry (ODF)** - for the McKenzie Valley Fuels Reduction Project. \$325,000 (over 2 years) based on Direct Negotiation.

RESOLUTIONS

8. **Resolution No. 2412** - Energy Resource Output Sales.
9. **Resolution No. 2415** - Strategic Plan Update.

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

Items Removed from Consent Calendar

None

Initial Commissioner Perspectives – Community Interest Letter (no memo) [0:34:43]

President McRae explained the Community Interest Letter they received from a coalition encouraging EWEB to take actions relating to energy efficiency, rate design, and electrification.

President McRae read the purpose of the letter into the verbal record. He explained the letter specifically encouraged EWEB to increase access to high efficiency heat technologies starting with heat pump water heaters, to establish progressive rate design so future large commercial enterprises pay their fair share, to replace bill assistance programs with percentage of income payment plans, and to better engage the community through outreach and education.

The board discussed the letter, thanking the individuals who took the time to write it and adding their input and thoughts on the matter.

Mr. Lawson said the letter was timely and brought up important points that would be addressed in the coming months.

Resolution No. 2414 - Trail Bridge: BPA Exhibit A Updates [1:09:05]

Brian Booth, Chief Energy Resource Officer; Megan Capper, Energy Resource Manager; and Aaron Yale-Bush, Senior Energy Resource Analyst; gave a presentation via PowerPoint and answered questions from the board.

The following discussion centered around the BPA contract and the Trail Bridge commitments.

MOTION: Commissioner Brown moved to approve Resolution 2414. The resolution affirmed the actions and timelines for the Trail Bridge Plant as documented in the September 2024 Board Memo and Trail Bridge Timeline and Commitment to Operations document. The motion passed unanimously 5:0

Resolution No. 2413 - 2025 EWEB Avoided Cost Prices Update [1:26:20]

Brian Booth, Chief Energy Resource Officer and Jonathan Hart, Power Planning Supervisor gave a presentation via PowerPoint and answered questions from the board.

The following discussion centered around the Federal Public Utility Regulatory Policy Act requirements and the impact of available energy sources on cost.

MOTION: Commissioner Carlson moved to approve Resolution 2413. The resolution directed staff to file an updated set of Avoided Costs prices with the Oregon Public Utility Commission (OPUC). These prices will serve as EWEB's forecast of avoided costs until such time as the Board approves new values. The motion passed unanimously 5:0.

System Development Charge Methodology [1:41:20]

Karen Kelley, Chief Operations Officer; Wally McCullough, Water Engineering Supervisor; Adam Rue, Rates Manager; and Deborah Galardi, Consultant, Galardi Rothstein Group; gave a presentation via PowerPoint and answered questions from the board.

The following discussion centered around a proposal for an updated methodology for charges for new water services and additional demands placed on the water system.

WORK SESSION

Annual Energy Resource Study Update [2:42:20]

Brian Booth, Chief Energy Resource Officer; gave a presentation via PowerPoint and answered questions from the board.

The following discussion centered around energy load, resources and trends, options for the future, and the technology utilized by EWEB for predictions.

Future Board Agendas [3:33:12]

Mr. Lawson requested an extended work session in October to address the business model and qualitative updates on October 15th.

The board agreed.

Mr. Lawson explained there were a number of strategic sessions that would be added in 2025, and he would work with staff to review customer service programs and policies. He felt they needed to focus on what they wanted, and needed, to complete in 2025.

Board Wrap Up [3:35:30]

Commissioner Brown said he would be out of the country for the work session.

Adjourn

The meeting adjourned at 9:06

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new contract with **Ferguson Waterworks** for **Dry Barrel Fire Hydrants**.

Board Meeting Date: October 1, 2024
Project Name/Contract #: Dry Barrel Fire Hydrants / 24-173-G
Manager: Mike Masters Ext. 7549
Executive Officer: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$370,000
Additional \$ Previously Approved: \$0
Spend over last approval: \$0
Amount this Request: \$370,000
% Increase over last approval: NA
Resulting Cumulative Total: **\$370,000 (over 5 years)**

Contracting Method:

Method of Solicitation: Formal Invitation to Bid
If applicable, basis for exemption: NA
Term of Agreement: Term is 5 years
Option to Renew? No
Approval for purchases "as needed": Yes No
Proposals/Bids Received (Range): 3 (\$66,800 to \$75,418 per year)
Selection Basis: Lowest Responsive and Responsible Bidder

Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB purchases and installs dry barrel fire hydrants as required and specified by the City of Eugene and EWEB standards. The fire hydrants are called "dry barrel" because water is drained from the barrel when the hydrant is not in use which prevents water leaks if hydrants are hit by a vehicle.

Contracted Goods or Services

Ferguson Waterworks will furnish dry barrel fire hydrants of various depths. EWEB installs approximately 36 hydrants per year.

Purchasing Process

A formal Invitation to Bid was posted to the state of Oregon bid site, OregonBuys, in July 2024. Three bids were submitted. Sigelock System's bid was rejected as they submitted a brand that was non-approved. Ferguson Waterwork's bid was deemed to be the lowest responsive and responsible offer.

Proposals/Bids Received

Vendor Name	City, State	Offered Price	Comments
Ferguson Waterworks	Eugene, OR	\$367,305	None
Consolidated Supply Co.	Eugene, OR	\$377,088	None
Sigelock Systems, LLC	Franklin, PA	\$334,000	Non-Responsive/Rejected

Prior Contract Activities

EWEB Contract	Project Name (Description)	Board Approved	Project Duration (Start to Close)	Original Amount	Approved/Amended Amount to Date (Total)	Reason Code
23-072-G	Resilient Wedge Gate Valves	7-11-23	7-12-23 to 7-7-28	\$1,035,737	1,035,737	
23-053-G	Low Lead Brass Fittings	6-7-23	6-8-23 to 6-8-28	\$1,417,674	\$1,417,674	
22-187-G	Ductile Iron Fittings	2-7-23	2-15-23 to 2-9-28	\$1,315,300	\$1,315,300	

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

ACTION REQUESTED:

Management requests the Board approve a contract with Ferguson Waterworks for dry barrel fire hydrants. \$37,500 is budgeted for these purchases in the 2025 Water Construction O&M budget of approximately \$910,000. The annual budgeted amount will increase in 2026. Variances will be managed within the budget process and Board policy.

BUDGET CATEGORY: Water O&M, Department 372, Fire Hydrants.