

**EUGENE WATER & ELECTRIC BOARD
REGULAR MEETING
November 12, 2024
5:30 p.m.**

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

Commissioners Absent: None

Others Present: Frank Lawson, EWEB General Manager; Rodney Price, Assistant General Manager; Deborah Hart, Assistant General Manager/Chief Financial Officer; Adam Rue, Rates Manager; Alicia Voorhees, Interim Budgets & Rates Supervisor; Aaron Balmer, AIC Financial Services Manager; Travis Knabe, Chief Information Officer; Julie McGaughey, Chief Customer Officer

REGULAR SESSION

Call to Order [0:0:0]

President McRae called the meeting to order at 5:29 p.m.

Agenda Check [0:0:5]

There were no changes to the agenda.

Items from Board Members and General Manager [0:0:22]

Commissioner Brown visited a local elementary school, attended a presentation at College Hill, and completed an ethics class for Board members. He brought attention to the need for communications companies to properly trim trees to keep their overhead utility lines clear ahead of snow and ice.

Vice President Barofsky visited two local schools, Camas Ridge Community School and Edison Elementary School.

Mr. Lawson commented that EWEB is in a light/warm Incident Command System (ICS) with potential 40-50 mph winds and staff are ready to mobilize.

Responding to Commissioner Brown's comment about communications companies, Mr. Lawson said beyond their calculation for attachment fees, a legislative solution would likely be the next option.

President McRae provided a Facility and Safety Awareness and Meeting Logistics briefing.

City of Eugene Fire Fee Update [00:07:24]

City of Eugene Manager Sarah Medary and Assistant Finance Director Neil Obringer provided information regarding the Revenue Proposal Fire Services Fee via PowerPoint presentation. They referenced a handout provided to the commissioners.

Ms. Medary stated that the City of Eugene has 35 reporting funds. The general fund is one of them. The discretionary fund has historically funded police, fire, library, parks, and more. She explained that the bi-annual budget revealed \$30K in cuts and an \$8M placeholder for new revenue. As a result, revenue advisors began looking for solutions. Ms. Medary noted that three quarters of general fund expenses are employees, and the rest are materials and equipment. Every year that plus cost increases must equal revenue. In the general fund the top three sources of revenue are: property taxes, EWEB contribution in lieu of taxes, and fees for services. The City has limited control of rates. She noted that the current focus on fire and emergency medical services (EMS) is because the City has not added a firefighter/paramedic since the 1980s.

Mr. Obringer delved into the rate development process. The City has looked to eight other Oregon jurisdictions as a model. The limitations of Measures 5 and 50 have created a challenge for all Oregon jurisdictions given the limitations placed on property tax revenue and thus the challenge to fund basic governmental services. The model cities have implemented a utility service fee. He introduced a rate model approach that generates \$10M annually, is based on building square footage, and encompasses an understanding of residential vs commercial. 3% of gross revenues would be set aside for an income-based assistance program.

Ms. Medary said there is a City of Eugene City Council Public Hearing scheduled for November 18, 2024. She opened the floor for questions.

Commissioner Brown commented that because EWEB just raised their bills \$30/month on average, he is hesitant to approve another rate increase for something that has nothing to do with EWEB. He said if they could bill it a different way he would have a different perspective on it.

Ms. Medary responded that the City shares Commissioner Brown's value around not wanting to shut off people's power for not paying the fire fee. She referenced the income-based assistance program and reassured Commissioner Brown that if that does not work, they will find another way.

Commissioner Schlossberg suggested redesigning the bill so that it does not appear like it is coming from EWEB, but rather from EWEB and the City of Eugene.

Mr. Lawson pointed out that EWEB already bills two services for the City. They are easy to distinguish when reviewing the bill. The challenge is that a lot of customers do not look at their bill, other than the total amount at the bottom.

There was discussion around establishing standards relating to partial payments.

Mr. Lawson mentioned a new customer information billing system that is currently being implemented. They are unsure if the new system will allow EWEB to disconnect for one thing and not another.

Commissioner Carlson said it is challenging that there are costs rising across the board. She does not want to put customers in a position where their water and electricity are turned off

because they did not pay a fire fee. She cited hotter and drier conditions. She described a no-win situation and stated that if it is more efficient for EWEB to do it, and they can protect the most vulnerable, she will support it.

Vice President Barofsky agreed with Commissioner Carlson's statement. He added that if EWEB does it, the cost will be less for constituents. If EWEB does not, the cost will be higher. He suggested working with the City to find the most fair and equitable way to bill.

President McRae stated there is a natural opportunity to make sure that EWEB is doing the most sensible thing to ensure that people understand the fees they are paying.

Mr. Lawson explained that if the City Council directs the City of Eugene to pursue the fire fee, EWEB would be working with the City over a number of months to understand the details before bringing this issue back to the Board. He added that City Manager Medary said tentative implementation is slated for July 2025 so staff will also need to see how that timing fits with the changes to EWEB's billing system.

Correspondence [0:42:11]

Mr. Lawson commented on several pieces of correspondence that were included in the meeting packet.

- 2024 Community Table Session 1 Feedback: Mr. Lawson said there is additional detail pertaining to feedback regarding the process for energy planning.
- Federal, State, and Regional Legislative Policy Update: Mr. Lawson noted an update from Jason Heuser regarding potential legislative trends and topics relevant to EWEB.
- Quarterly Operational and Strategic Goals Report for Q3: Mr. Lawson mentioned upcoming project updates relating to 2024 organizational goals.

Public Input: [0:47:47]

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

Isaac McCoy-Sulentich, of Ward 7, shared comments related to the upcoming BPA decision, including using available knowledge and skills to provide the public with a series of options.

Dan Carol, of Ward 1, provided testimony related to the College Hill reservoir project, including his concern about an anticipated 24 days of fracking and dynamite in his neighborhood. He cited potential risks and urged better communications with the public, gas line inspections, seismic monitoring, a two day pause after blasting begins, and fire station crews on standby.

Eric Dziura, of Ward 7, provided testimony related to the construction of three single-family residences. He thanked EWEB employees for excellent service, communication, and personnel.

Mark Robinowitz shared comments related to federal climate policy in light of the reelection of US President Elect Donald Trump, including impacts to the Environmental Protection Agency (EPA) that may affect EWEB, such as privatizing of the EPA and policies resulting in major economic shocks. He cited the BBC documentary “Vigilantes Incorporated: America’s New Vote Suppression Hit Men.”

BOARD ACTION ITEMS

Approval of Consent Calendar – A, Minutes and Routine Contracts [01:01:30]

MINUTES

1. a. October 1, 2024 Regular Session
- b. October 15, 2024 Work Session

CONTRACTS

2. Cascade Water Works, LLC – for Hayden Bridge Raw Water Intake – Pump #6 Replacement. \$629,000 based on Formal Invitation to Bid.
3. Habitat Contracting and Oregon Woods – for additional funds for Vegetation Management and Enhanced Services on EWEB Owned and/or Controlled Properties. \$600,000 (cumulative total over 5 years). (Original amount \$400,000, Amount this request \$200,000) based on formal invitation to bid.
4. Mythics, LLC – for the purchase of Oracle Software, Support and Maintenance Services. \$1,856,000 (over 3 years) based on a cooperative contract.

MOTION: Commissioner Schlossberg moved to adopt Consent Calendar A.
The motion passed unanimously, 5:0; President McRae, Vice President Barofsky, Commissioner Schlossberg, Commissioner Brown, and Commissioner Carlson all voting in favor.

Approval of Consent Calendar – B, Nonroutine Contracts/Other Consent Items [01:02:00]

CONTRACTS

5. Carpi USA, Inc. – for the Provision of a Liner at the Walterville Canal Forebay at EWEB’s Leaburg-Walterville Project. \$3,000,000 based on the Sole Source purchasing process.
6. Industrial Service Solutions LLC – for Annual Pump and Motor Rebuild and Repair for Hayden Bridge. \$365,000 (over 5 years) based on Formal Request for Proposals.
7. Sanipac, Inc. – for Solid Waste & Recycling Services. \$250,000 (over 5 years) based on Direct Negotiation/Sole Source.
8. Unit Process Company – for AUMA Electric Actuators. \$179,000 (over 5 years) based on Sole Source.

RESOLUTIONS

9. Resolution No. 2417 – Customer Service Policy Update, Fee for Shared Transformer Capacity Costs.

10. Resolution No. 2418 – Trojan Annual Operating Budget.

MOTION: Commissioner Schlossberg moved to adopt Consent Calendar B minus item 7. **The motion passed unanimously, 5:0; President McRae, Vice President Barofsky, Commissioner Schlossberg, Commissioner Brown, and Commissioner Carlson all voting in favor.**

Items Removed from Consent Calendar [01:03:10]

Regarding a contract with Sanipac for Solid Waste and Recycling Services, Commissioner Brown raised concern about local companies being unable to bid for the contract because of specific reporting criteria. He urged revisiting the topic.

Mr. Lawson responded that the requirement called out the reporting in Board policy. A March meeting has been scheduled to review Board policies. That a local company did not provide a proposal was their choice. He added that EWEB was not intentionally excluding a local organization, and Sanipac agreed to do the reporting without charge.

Vice President Barofsky suggested that if there is a policy restrictive to the point that it is excluding people that could do the same job but are not checking one box then he would like to see if that box needs to be checked in order to meet EWEB's sustainability goals.

MOTION: Commissioner Schlossberg moved to approve Consent Calendar B item 7. **The motion passed unanimously, 5,0; President McRae, Vice President Barofsky, Commissioner Schlossberg, Commissioner Brown, and Commissioner Carlson all voting in favor.**

GENERAL BUSINESS ITEMS [01:10:49]

City of Eugene Liaison Update [01:11:00]

Vice President Barofsky stated that he and Commissioner Brown attended a meeting with City of Eugene leadership. The City asked questions regarding grid reliability, including discussion around electrification, data farming, and other things that would influence the reliability of the [electric] grid. The commissioners communicated information about the increased amount of power needed for the region and transmission issues. Upcoming projects and incoming leadership were also discussed.

Mr. Lawson commented on the positive collaboration between EWEB and City staff.

Upcoming-Year (2025) Proposed Budgets and Prices [01:15:27]

Deborah Hart, Assistant General Manager and Chief Financial Officer; Adam Rue, Rates Manager; Aaron Balmer, AIC Financial Services Manager; and Alicia Voorhees, Interim Budgets and Rates Supervisor provided information related to 2025 proposed budgets and prices via PowerPoint presentation. A copy of the presentation was included in the meeting packet.

Mr. Balmer stated that last month the Board reviewed updated long-term financial plans and sought Board direction on the 2025 draft budgets. Now EWEB staff is presenting a detailed budget draft including refined price proposals for 2025 that include impacts to each of the customer classes. Following the Board's direction, they will incorporate any feedback and return in December seeking Board action on 2025 budgets and prices.

Public Hearing on Upcoming-Year (2025) Proposed Budgets and Prices [01:30:37]

President McRae opened the Public Hearing and provided comment instructions. There were no requests to comment.

Break [01:51:20]

EES "Go Live" Update [02:02:52]

Travis Knabe, Chief Information Officer and Julie McGaughey, Chief Customer Officer provided an EWEB Enterprise Solutions (EES) "Go Live" Update via PowerPoint presentation. They highlighted that EES is going live in two weeks. Their customer communications plan involves five touch points of communication: social media, email, postcard mailer, bill insert, and newsletter. Mr. Knabe mentioned that a Command Center will be set up at EWEB's Roosevelt Operations Center to provide additional support (for EWEB staff).

Ms. McGaughey opened the floor for questions.

Regarding communications, Commissioner Carlson asked if staff have data on open rates for emails. She is concerned that emails and newsletters may not be the most effective forms of communication.

Ms. McGaughey responded that she does not have that data. She added that they will issue several email notifications.

Commissioner Carlson brought up added security risks when switching systems.

Mr. Knabe responded that the new system is not going to look dramatically different from the previous one. He described it as an upgraded experience but not a massive departure.

Mr. Lawson added that customer service agents should be on the lookout for signs that people may be impersonating EWEB.

Regarding two contracts requiring Board approval, Mr. Lawson suggested a formal process be used for extending the contracts.

President McRae agreed and suggested that they include a memorandum.

Mr. Knabe responded that he will prepare two consent items for the next Board meeting.

Water System Development Charges (SDC)/Commissioner Positions to Inform Board Policy [02:42:00]

Mr. Lawson introduced Water System Development Charges (SDC)/Commissioner Positions to Inform Board Policy via PowerPoint presentation.

Mr. Lawson is seeking input from the Board on policies relating to SDCs. SDCs provide an opportunity for facilities to pay for capacity upfront. He said there is capital work and existing infrastructure that is eligible for SDCs.

Mr. Lawson posed the following questions:

- Who should pay for the eligible capacity? And how?
- When a project requires/consumes system capacity should the SDC-eligible value of that capacity be:
 - Paid as part of the project
 - Paid for by the broader customer base
 - Split between the project (direct beneficiaries) and the general customer base
 - Based on the category/type of the project, and whether the Board feels there is social/community value worth spreading across the broad customer base
- Should SDCs be used to favor some types of capacity-consuming development over others?
- Do commissioners concur that for development/project simplicity/clarity, EWEB approaches to SDCs should align with other jurisdictional (e.g. City of Eugene) processes?

Commissioner Schlossberg stated that she favors the option that SDCs be paid as part of a project. She supports a grant program for things that are considered community good, i.e. community housing. She concurs that SDCs should align with the methodology the City uses.

Commissioner Brown asked about unused capacity and questioned where the SDC credits go.

Mr. Lawson responded that he is not familiar with the crediting back of SDCs. He said he will follow-up with Commissioner Brown's question.

Vice President Barofsky voiced preference for a blended methodology. Regarding aligning SDCs with other jurisdictional processes, he said he would prefer understanding those processes better.

Commissioner Carlson cited an ECONorthwest study stating that "SDCs affect some housing more than others. Smaller, entry-level homes, lower-cost middle housing and apartments, and communities with weaker markets are disproportionately affected." She favors having lower SDC charges, favors grants for community-good projects, and is conflicted regarding aligning with the City's SDC methodology.

President McRae stated that he favors the option that SDCs should be paid as part of a project and that SDCs should align with the methodology the City uses. Regarding question two, he would prefer to see different types of projects and what type of capacity they take.

Board Session 1: Mission/Vision: What do we do? Why do we exist? [03:15:18]

Mr. Lawson engaged the Board in a brief evaluation of EWEB's mission and vision via PowerPoint presentation.

Mr. Lawson posed the following questions:

- What is EWEB's role in the community?
- What is *not* EWEB's role in the community?

Commissioner Carlson said they should continue to be more inclusive, such as engaging certain community perspectives. She said the trajectory that EWEB is on feels good to her.

Commissioner Brown said EWEB should take a more active role advocating for government policies that address high users of renewable energy such as data farms and AI.

Commissioner Schlossberg urged more legislative advocacy. She said EWEB could protect their interests more. She said they could strengthen resiliency, citing scarcity of resources and environmental pressures. She suggested revisiting EWEB vision language.

Mr. Lawson asked Commissioner Schlossberg how she characterizes EWEB services.

Commissioner Schlossberg responded clean water, carbon-free electricity, and renewables.

Vice President Barofsky spoke to EWEB's values around clean water. He said water is going to be one of the commodities of the next generations, thus source protection is key. He added helping rental stock become more efficient, resulting in lower utility bills.

President McRae emphasized watershed and source protection, particularly in watersheds that EWEB has not yet invested in. He mentioned the use of diverse, redundant systems to the greatest degree possible to prepare for curve balls. He said they can do less niche programs, such as carbon credits; and cautioned against big projects with huge potential risks.

Mr. Lawson summarized Board input: be inclusive, protect sources, and refine priorities. He added that part of the near-term strategy could be developing flexibility to handle multiple futures

Future Board Agendas [03:42:34]

Mr. Lawson said that schedules are packed for the remainder of the year. Policy work is slated for March 2025.

Board Wrap Up [03:43:45]

Commissioner Brown thanked President McRae for his leadership on the Board.

Adjourn [03:46:12]

President McRae adjourned the meeting at 9:15 p.m.

Recorded by Terah Van Dusen, LCOG

Assistant Secretary

President

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new contract with **McMillen, Inc.** to provide **Consultant Support for the Leaburg Decommissioning Program.**

Board Meeting Date: December 3, 2024
Project Name/Contract #: Leaburg Hydroelectric Project Decommissioning Program / 24-169-Q
Manager: Lisa Krentz Ext. 7450
Executive Officer: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$18,500,000
Additional \$ Previously Approved: \$0
Spend over last approval: \$0
Amount this Request: \$18,500,000
% Increase over last approval: NA
Resulting Cumulative Total: **\$18,500,000 (Over 10-years)**

Contracting Method:

Method of Solicitation: Formal Request for Proposals
If applicable, basis for exemption: NA
Term of Agreement: Through December 2034
Option to Renew? No
Approval for purchases “as needed”: Yes No
Proposals/Bids Received (Range): Four proposals received (1 price proposal for sample task order only)
Selection Basis: Highest Ranked Proposer

Narrative:

Operational Requirement and Alignment with Strategic Plan

The Leaburg Decommissioning Action Plan (LDAP) was approved by the Board in January 2024 in accordance with 2023 EWEB organizational goal #6 and Board Resolution 2302. As detailed in the LDAP, planning and implementing the near-term dam safety risk reduction projects and long-term decommissioning work will require extensive resources, including internal staff and consultant support. Contracting with an experienced and multi-disciplinary team of subject matter experts is necessary to augment EWEB’s staff in refining the existing high-level concepts into the detailed plans that are necessary for review/approval processes and ultimate implementation of the work. McMillen, Inc. (McMillen) has an extensive record of successful planning and implementation of challenging dam decommissioning work, including at FERC-regulated hydroelectric facilities.

Contracted Services

The McMillen team will provide EWEB with critical consulting support throughout the LDAP implementation process by serving as a senior consultant to the LDAP project team and bringing extensive decommissioning process expertise and experience-based risk management guidance to EWEB’s efforts at Leaburg. McMillen will also help EWEB determine and achieve the end-state of decommissioning by providing comprehensive support throughout the decommissioning and regulatory / FERC processes. Services may include but are not limited to:

- Program and project management support:
 - Project management planning
 - Assistance with stakeholder engagement
 - Integration of projects within the decommissioning and near-term risk reduction portfolios
 - Internal documentation and controls
 - Resolution of technical and non-technical conflicts/issues
 - Develop and monitor key performance indicators
- Interdependent process support:
 - Leaburg Near-Term Risk Reduction
 - WALTERVILLE Strategic Evaluation
- Regulatory process and related strategic planning and implementation support:
 - Critical path schedule analysis
 - Risk register development
 - Develop draft and final FERC decommissioning applications
 - Develop permitting tracking matrix and draft permit applications
- Staffing capacity support:
 - Work plan and schedule review
 - Technical resource planning, RFP scoping, and procurement support (EWEB will manage all procurement processes and contracts)
 - Sub-consultant oversight
 - Review and QA/QC of deliverables
- Information and data gap analyses:
 - Comparative assessments of existing information relative to data requirements needed to advance designs of decommissioning concepts
- Engineering and environmental planning studies:
 - Hydrology and hydraulics studies of the modified McKenzie and tributary systems
 - Leaburg Lake sediment studies and transport analyses
 - Develop aquatic and terrestrial wildlife management plans
 - Develop vegetation and restoration management plans
- Refinement of the decommissioning concepts and cost estimates, potentially including detailed design tasks:
 - Alternatives analyses
 - Minimum of 30% designs
 - Full design development in areas of McMillen's subject matter expertise
- Preconstruction and construction phase oversight support:
 - Develop construction contract documents
 - Review construction schedules, timelines, sequencing
 - Facilitate value engineering sessions and independent review of value engineering proposals
 - Constructability reviews
 - Review and advise EWEB on construction-related contract documents such as RFI's and change orders
 - Perform field inspections to ensure contract compliance
 - Construction documentation management
 - Assistance with claims by construction contractors

The contracted services are expected to be broad and extend over a 10-year period. However, the contract has safeguards and offramps to allow EWEB full discretion in determining the scope of work in accordance with the consultant's demonstrated strengths and performance.

Purchasing Process

In August 2024, Purchasing initiated a formal Request for Proposals (RFP) process in accordance with Oregon Public procurement rules. The RFP was posted on the State of Oregon bid site OregonBuys. Four proposals were received, and all were deemed to be responsive and responsible. The proposals were evaluated by an EWEB

evaluation team including all core members of the LDAP project team. The maximum number of possible points was 200, using the following criteria: Minimum Qualifications (Pass / No Pass – Not scored), Project Experience (40 points), Project Approach (55 points), Project Team Qualifications (55 points), Project Management Strategy (20 points) and Pricing (30 points).

McMillen, Inc. and Kleinschmidt Associates were shortlisted and asked to submit pricing proposals for a sample task order that included regulatory, stakeholder, and technical complexities often associated with a decommissioning process. This approach was chosen because quantifying a flexible and long-term contract early in the decommissioning process is difficult. Kleinschmidt Associates rescinded their proposal in lieu of providing pricing because they determined the point spread between the two Proposers was likely too wide to overcome.

McMillen, Inc. received the greatest number of points and was selected as a competent and qualified consultant for the project. An Intent to Award was issued to McMillen, Inc.

Proposals/Bids Received

Vendor Name	City, State	Offered Price for Sample Task Order	Ranking (for RFPs)
McMillen, Inc.	Portland, Oregon	\$650,437	1
Kleinschmidt Associates	Portland, Oregon	NA*	2
Jacobs Engineering Group	Corvallis, Oregon	NA**	3
Black and Veatch	Tualatin, Oregon	NA**	4

*Consultant dropped out prior to submitting pricing

**EWEB solicited pricing proposals from the two top ranked proposers only

Prior Contract Activities

EWEB does not have prior experience with this Consultant.

- McMillen, Inc. is well known as one of leading experts in the industry for FERC-related decommissioning support and are often asked to speak or lead at industry workshops.
- McMillen team, which includes Camas Environmental and Regulatory Services, were both highly recommended for this project by our hydro specialist legal consultants, Troutman Pepper.
- McMillen was the lead decommissioning consultant on the large and prestigious Klamath Dam Removal Project and earned many points in the RFP evaluation process that the other consultants had difficulty competing with in regard to experience.
- At the Northwest Hydro Association conference earlier this year, the Owners of the Klamath project (KRRC) stated how valuable McMillen was to the project and two members of the team told our Project Manager for this contract that we’d be lucky to have them on our project.
- Our Project Manager for this project has direct experience working with McMillen on 3 complex Pacific Corp Hydro projects, including the Swift Bypass project and two fish hatchery projects. All 3 projects were very successful.

ACTION REQUESTED:

Management requests the Board approve a contract with McMillen, Inc. for engineering and related services to provide support for the Leaburg Decommissioning Program. Approximately \$21 million was planned for these decommissioning related consulting services in the Generation Department’s 2024 - 2034 O&M budget as part of the overall estimated decommissioning cost of \$176 million. Variances from the budget during each year of the project will be managed in accordance with Board Policy.

BUDGET CATEGORY: Electric O&M, Generation Division, Consulting

EWEB Board Consent Calendar Request

For Cooperative Contracts

The Board is being asked to authorize additional funds under a cooperative contract for **Microsoft Software Licenses, Maintenance and Support** from **SHI International Corp.**

Board Meeting Date:	December 3, 2024
Project Name/Contract #:	Microsoft Software Purchases / State of Oregon Price Agreement 9404
Manager:	Daniele McCallum Ext. 7891
Executive Officer:	Travis Knabe Ext. 7770

Contract Amount:

Original Contract Amount:	\$2 million over 3 years (approved November 2022)
Additional \$ Previously Approved:	\$0
Spend over last approval:	\$0
Amount this Request:	\$1,500,000
% Increase over last approval:	75%
Resulting Cumulative Total:	\$3,500,000 (Over 4-years)

Narrative:

The Board is being asked to increase the authorized amount to spend under the NASPO Master Agreement AR2488 (Oregon State Participating Addendum 9404) for the purchase of Microsoft software licenses, maintenance, and support services. EWEB intends to purchase the items from SHI International Corp. (SHI) of Piscataway, NJ (a Microsoft Value Added Reseller). The increase is due to the purchase of additional SQL servers that were required for the EES Program, GIS Modernization Projects, and the Leaburg/Waltermville upgrades, which were budgeted for in the capital improvement plan. We are also extending the period from three years to four years.

Operational Requirement and Alignment with Strategic Plan

Every three years, EWEB renews the Microsoft Enterprise Agreement from SHI leveraging a cooperative contract. The agreement is a volume licensing package offered by Microsoft giving EWEB the right to use Microsoft products. These include but are not limited to, Microsoft Office, Microsoft 365 for email, SharePoint, Teams, Microsoft SQL Server, Microsoft Windows for desktops and servers. These software packages are critical to the day-to-day operations of the Utility.

EWEB’s current Microsoft Enterprise Agreement expires 12/31/2025 and the NASPO ValuePoint Master Agreement expires September 15, 2026. EWEB would like to extend the period to use the NASPO ValuePoint Master Agreement through its expiration date.

Purchasing Process

The State of Utah issued an RFP for cloud solutions in December 2015, under the NASPO ValuePoint Cooperative Purchasing Program. Responses were scored according to the RFP’s Evaluation Criteria across one technical evaluation stage, which included a minimum technical scoring threshold, and the cost evaluation. The RFP allowed for multiple vendor awards in each award category based on each vendor’s success in earning more than 70% of the maximum total points possible. 38 of the 58 vendors evaluated met the required minimum score threshold in one or more categories, making them eligible for award. SHI was one of the awardees.

ACTION REQUESTED:

Management requests the Board authorize the use of a cooperative contract for Microsoft software licenses, maintenance, and support from SHI International Corp. Approximately \$775,000 was planned for these licenses and services in the IS Division's 2024 O&M budget of \$5.8 million. Variances will be managed within the budget process and Board policy.