

## **EWEB Board Consent Calendar Request**

*For Contract Awards, Renewals, and Increases*

As requested by the Board following the EES presentation provided by Travis Knabe, Chief Information Officer, and Julie McGaughey, Chief Customer Officer, at the November board meeting, this consent asks the Board to approve an increase in the value of the contract with **Avant Consulting Solutions, LLC** for **EES Project-related services**. No additional budget is being requested as this amount has been included in the IS Division's budget.

Board Meeting Date:	December 3, 2024	
Project Name/Contract #:	EES Project / 23-038-PSC	
Manager:	Bruce Debysingh	Ext. 7196
Executive Officer:	Travis Knabe	Ext. 7770

### **Contract Amount:**

Original Contract Amount:	\$5,000,000 (Approved March 7, 2023)
Additional \$ Previously Approved:	\$0
Spend over last approval:	\$0
Amount this Request:	\$5,000,000
% Increase over last approval:	100%
Resulting Cumulative Total:	<b>\$10,000,000 (Over 5-years)</b>

### **Contracting Method:**

Method of Solicitation:	Direct Negotiation
If applicable, basis for exemption:	Sole Source
Term of Agreement:	March 8, 2023 – February 28, 2028
Option to Renew?	No
Approval for purchases "as needed":	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Proposals/Bids Received (Range):	1 - \$5,000,000
Selection Basis:	Direct Negotiation

Narrative:

### Operational Requirement and Alignment with Strategic Plan

EWEB has worked closely with Avant Consulting Services on the EES Program since signing its first contract in 2023. Avant has proven to be a strong partner to EWEB, providing program management services, business analyst services, and quality assurance services. As we progress to Season 2 of the EES Program (stabilization and continuous improvement), we would like the ability to continue this partnership with Avant, and leverage their knowledge and capabilities in SAP Delivery, development and functional support. The availability of additional Avant resources during Season 2 is necessary for stabilization of the EES Program applications and preparation for Season 3 of the program (Enterprise Asset Management and Field Service Management), which aligns with Organizational Goal 1, Ongoing Operational Efficiency & Effectiveness and Organizational Goal 4, SAP Finance and Customer Systems "Go-Live."

Contracted Goods or Services

Contracted services for the EES program will include, but are not limited to, program/project management services, business analyst services, quality analyst services, business process exception management services, and development services.

EWEB will issue task orders detailing the negotiated scope of work, project deliverables timeframes, and effort/costs related to the work.

Purchasing Process

In October 2024, staff entered into discussions with Avant to determine the scope of work required for Season 2 of the EES Program.

Prior Contract Activities

EWEB Contract	Project Name (Description)	Board Approved	Project Duration (Start to Close)	Original Amount	Approved/Amended Amount to Date (Total)
22-240-PSC	EES Pre-Planning & Implementation Support Services	N/A	3/1/23 to 6/30/23	\$150,000	\$35,300

**ACTION REQUESTED:**

Management requests the Board approve an increase to the contract with Avant Consulting Solutions, LLC for EES Program services, including but not limited to program/project management, business analyst services, quality assurance services, business process exception services, and development services. Approximately \$3.1 million was planned for these services in the IS Division proposed 2025 budget of \$10,773,000. Variances will be managed within the budget process and Board policy.

**BUDGET CATEGORY:** Information Technology, Type 2, EES Program

# EWEB Board Consent Calendar Request

*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve a new contract with **Oldcastle Infrastructure, Inc.** for **Precast Concrete Vaults, Lids, and Riser Sections.**

Board Meeting Date: December 3, 2024  
Project Name/Contract #: Precast Concrete Vaults, Lids, and Riser Sections / 24-062-G  
Manager: Tyler Nice Ext. 7419  
Executive Officer: Karen Kelley Ext.7153

### **Contract Amount:**

Original Contract Amount: \$750,000  
Additional \$ Previously Approved: \$0  
Spend over last approval: \$0  
Amount this Request: \$750,000  
% Increase over last approval: NA  
Resulting Cumulative Total: **\$750,000 (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): 2 (\$671,228 to \$1,431,309)  
Selection Basis: Lowest Responsive and Responsible Bidder  
Narrative:

### Operational Requirement and Alignment with Strategic Plan

Precast concrete vaults, lids, and riser sections are installed outdoors in the ground for EWEB electric and water conductors and equipment for both new construction and the replacement of existing infrastructure.

### Contracted Goods or Services

Various sized vaults, lids, and risers to house both electric and water equipment. Product will be purchased on an "as needed" basis to replenish stock. Exact purchase amounts are unknown. No guarantee has been made with the supplier to purchase any specific annual quantity. Historical data indicates that EWEB will purchase approximately \$142,000 of product each year. Staff estimates the purchase of these products will be \$140,000 the first year with up to a 3% increase each year thereafter, as allowed per contract. The total five-year contract amount will be approximately \$750,000. However, this is a requirements contract (price agreement) and the exact total amount of this contract is based on need and not on any specific dollar amount.

Purchasing Process

A formal Invitation to Bid was posted to the state of Oregon bid site, OregonBuys, in October 2024. Two bids were submitted from Oldcastle Infrastructure, Inc. (Wilsonville, OR) and Advanced Precast Products (Redmond, OR). Oldcastle Infrastructure’s bid was deemed the lowest responsive and responsible offer.

Proposals/Bids Received

Vendor Name	City, State	Offered Price	Ranking (for RFPs)
Advanced Precast Products	Redmond, OR	\$1,431,309	NA
Oldcastle Infrastructure, Inc.	Wilsonville, OR	\$671,228	NA

Competitive Fair Price

The RFP was advertised in the State of Oregon’s procurement website, OregonBuys. Bid documents were downloaded by six builder’s exchanges and plan centers; bid documents were also downloaded by eleven vendors. One vendor informed us they would not be bidding as they believed they would not be competitive.

Prior Contract Activities

Reason EWEB Contract	Project Name (Description)	Board Approved	Project Duration (Start to Close)	Original Amount	Approved/Amended Amount to Date (Total)	Reason Code
027-2019	Precast Concrete Vaults	5/7/2019	5/10/2019-1/09/2025	\$500,000	\$710,204	AM

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 Oldcastle Infrastructure, Inc. for Precast Concrete Vaults, Lids, and Riser Sections. Approximately \$140,000 was planned for these goods in the Electric Division 2025 budget of \$77.8 million. Future years include budgeted planned work and allowances for emergent replacements according to historical experience. Variances will be managed within the budget process and Board policy.

**BUDGET CATEGORY:** Electric Capital, Type 1, Distribution

## EWEB Board Consent Calendar Request

*For Contract Awards, Renewals, and Increases*

As requested by the Board following the EES presentation provided by Travis Knabe, Chief Information Officer, and Julie McGaughey, Chief Customer Officer, at the November board meeting, this consent asks the Board to approve an increase in the value of the contract with **Smart Energy Systems, Inc. d/b/a Smart Energy Water (“SEW”)** for **EES Project-related services**. No additional budget is being requested as this amount has been included in the IS Division’s budget.

Board Meeting Date:	December 3, 2024	
Project Name/Contract #:	EES Program / 23-094-PSC	
Manager:	Bruce Debysingh	Ext. 7196
Executive Officer:	Travis Knabe	Ext. 7770

### Contract Amount:

Original Contract Amount:	\$5,000,000
Additional \$ Previously Approved:	\$0
Spend over last approval:	\$0
Amount this Request:	\$5,000,000
% Increase over last approval:	NA
Resulting Cumulative Total:	<b>\$5,000,000 (Over 5-years)</b>

### Contracting Method:

Method of Solicitation:	Direct Negotiation
If applicable, basis for exemption:	Sole Source (SS-469)
Term of Agreement:	January 1, 2025 – December 31, 2029
Option to Renew?	No
Approval for purchases “as needed”:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Proposals/Bids Received (Range):	NA
Selection Basis:	Direct Negotiation
Narrative:	

### Operational Requirement and Alignment with Strategic Plan

As part of the EES Program, EWEB purchased from SAP SEW’s Self-Service Accelerator for Utilities, which is a customer portal that provides self-service capabilities to EWEB’s customers. The purchase of this application allowed EWEB to benefit from building an integrated suite of business applications. SEW offers several additional modules that tightly integrate with its customer portal application (e.g., Smart IQ, Outage Notifications, and Smart Customer Mobile); however, they are not all offered through resellers. EWEB purchased additional SEW modules under the Board exception for sole-source software – Rule 2-0150(5)(b).

As EWEB progresses into future seasons of the EES Program, we need to work directly with SEW for development services required for anticipated enhancements to the customer-facing SEW applications. The availability of SEW development resources during Season 2 and beyond is necessary for EWEB-requested modifications and

enhancements to the SEW applications, which aligns with Organizational Goal 1, Ongoing Operational Efficiency & Effectiveness and Organizational Goal 4, SAP Finance and Customer Systems “Go-Live.”

Contracted Goods or Services

Development and administration support of SEW applications.

Purchasing Process

In October 2024, staff began discussions with SEW to determine the scope of work required for development work to take place during Season 2 and beyond.

Prior Contract Activities

EWEB had no prior experience with SEW prior to purchasing the Self-Service Accelerator through SAP.

**ACTION REQUESTED:**

Management requests the Board approve a contract and additional funds with Smart Energy Water for personal services related to the EES Program. Approximately \$1 million was planned for these services in the IS Division proposed 2025 budget of \$10,773,000. Variances will be managed within the budget process and Board policy.

**BUDGET CATEGORY:** IS Division Capital, Type 2, EES Program

# **EWEB Board Consent Calendar Request**

*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve a new contract with the **U.S. Geological Survey (USGS)** for **Hydrological Surveillance Maintenance, Monitoring and Reporting Services**.

Board Meeting Date: December 3, 2024  
Project Name/Contract #: Hydrologic Surveillance FERC Projects 2242 and 2496 / 24-236-IGA  
Manager: Lisa Krentz Ext. 7450  
Executive Officer: Karen Kelley Ext. 7153

### **Contract Amount:**

Original Contract Amount: \$927,000  
Additional \$ Previously Approved: \$0  
Spend over last approval: \$0  
Amount this Request: \$927,000  
% Increase over last approval: NA  
Resulting Cumulative Total: **\$927,000 (Over 5-years)**

### **Contracting Method:**

Method of Solicitation: Direct Negotiation  
If applicable, basis for exemption: Exemption Rue 6-0110(1)(a) Intergovernmental Agreement  
Term of Agreement: October 1, 2024 to September 30, 2029  
Option to Renew? No  
Approval for purchases "as needed": Yes  No   
Proposals/Bids Received (Range): NA  
Selection Basis: Direct Negotiation

Narrative:

### Operational Requirement and Alignment with Strategic Plan

The FERC operating licenses for the Carmen-Smith, Leaburg, and Waltherville hydroelectric projects have specific flow requirements, including instream flows and downstream ramping rates. The licenses require EWEB to maintain an Intergovernmental Agreement with the USGS for the collection and reporting of streamflow data associated with project operations. The data is used by EWEB to monitor compliance and anticipate necessary operational changes. It is also used by the USGS in support of its nationwide streamflow monitoring program.

### Contracted Goods or Services

The USGS is a governmental organization that provides impartial monitoring and analysis that adheres to strict national protocols. The scope of services includes maintenance, monitoring, collection and reporting of data at USGS operated gaging stations that monitor streamflow, stage height, temperature, and conductivity. Their findings are directly comparable across local, state, regional, and national levels.

Purchasing Process

USGS, a division of the U.S. Department of the Interior, is contracted through direct negotiation per EWEB Rule 6-0110(1), which allows a contract to be exempted from the solicitation process if the services are contracted between EWEB and a governmental body.

Competitive Fair Price

NA - Exempt from Solicitation

Prior Contract Activities

EWEB has maintained agreements for similar work from USGS for decades. The current arrangement relating to Generation facilities dates back to 2002. In addition, EWEB has agreements with USGS for other gauging stations in the watershed that support the drinking water source protection program.

EWEB Contract	Project Name (Description)	Board Approved	Project Duration (Start to Close)	Original Amount	Approved/Amended Amount to Date (Total)
24-089-IGA	Hydrological Surveillance Maintenance, Monitoring and Reporting Services	12-4-18	10-1-18 to 9-30-24 ( 6 years)	\$970,900	\$970,900
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 the USGS for hydrological surveillance services. \$300,000 was planned for these services in the Generation Division 2025 O&M budget of approximately \$6.2 million. Variances will be managed within the budget process and Board policy.

**BUDGET CATEGORY:** Electric O&M, Generation Division, Fees and Licenses



# **EWEB Board Consent Calendar Request**

*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve a new contract with **Wildish Building Company** for **Construction Services at EWEB’s Coburg Substation.**

Board Meeting Date: December 3, 2024  
Project Name/Contract #: Coburg Substation Transformer Installation / 24-208-PW  
Manager: Tyler Nice Ext. 7491  
Executive Officer: Karen Kelley Ext. 7153

### **Contract Amount:**

Original Contract Amount: \$530,000  
Additional \$ Previously Approved: \$0  
Spend over last approval: \$0  
Amount this Request: \$530,000  
% Increase over last approval: NA  
Resulting Cumulative Total: **\$530,000**

### **Contracting Method:**

Method of Solicitation: Formal Invitation to Bid  
If applicable, basis for exemption: NA  
Term of Agreement: Completion by April 30, 2025  
Option to Renew? No  
Approval for purchases “as needed”: Yes  No   
Proposals/Bids Received (Range): 2 (\$530,000 to \$537,179)  
Selection Basis: Lowest Responsive and Responsible Bidder

Narrative:

### Operational Requirement and Alignment with Strategic Plan

In the two decades since its original construction, the area supplied by Coburg Substation has continued to increase in its electric demand. To continue to serve customers with reliable power and meet the new needs for the area, EWEB is expanding its Coburg Substation capacity with the addition of a new, larger transformer. The installation of the new transformer will require new foundations and expansion of the spill containment system at the substation to be able to safely contain the environmentally friendly natural ester fluid that the transformer is filled with, in case of a spill. The Board is being asked to approve a construction contract with Wildish Building Company for excavation, spill containment expansion, subgrade conduit and vault installation, and foundation pouring at the Coburg Substation to support the installation of this new transformer.

### Contracted Goods or Services

If approved, Contractor will perform the following in early 2025:

- Site excavation
- Expansion of the existing spill containment to accommodate and safely contain the natural ester fluid in the new transformer

- Install conduits and vaults below grade to allow for control, monitoring, and operations of the transformer and other station equipment.
- Construction of four (4) foundations to support the transformer and other critical equipment being added

Purchasing Process

Staff issued a formal Invitation to Bid on October 14, 2024. The bid was posted on the bid site for the state of Oregon, OregonBuys, as well as the Portland Daily Journal of Commerce. Additionally, EWEB sent notification of the bid directly to nine (9) companies.

Two (2) bids were received from the companies listed below and were found to be responsive and responsible. Wildish Building Company of Eugene, OR submitted the lowest responsive and responsible bid and an Intent to Award was issued. If approved, Wildish Building Company will provide construction services, as specified in the solicitation documents.

Proposals/Bids Received

Vendor Name	City, State	Offered Price
Wildish Building Company	Eugene, OR	\$530,000
Michels Pacific Energy Inc.	Tumwater, WA	\$537,179

Competitive Fair Price

A courtesy notice of the ITB was sent to nine construction contractors capable of performing a good portion of the work (with the support of either an electrical or civil construction contractor) with Purchasing contacting a majority to ensure receipt. Four of these companies were new to EWEB and had expressed interest in bidding future EWEB projects, however only two submitted bids. EWEB gathered feedback from those not submitting and one reason some contractors did not bid was because the project required one primary construction contractor and subcontractor that could either do the civil or the electrical work. Many cited the difficulty of finding an electrical construction contractor that was available to partner with as most appear to have very full schedules for the time required.

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
20-117-PW	Walterville Toe Drain	NA	5-28-20 to 12-31-20	\$56,300	\$56,300	
050-2018	Carmen Powerhouse Substation Upgrades	1-8-19	1-22-19 to 12-20-19	\$4.58 M	\$4.73 M	AW
049-2018	Build Breezeway at Ice Cap Campground Restrooms	1-8-19	8-8-18 to 10-31-19	\$87,972	\$89,464	

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 Wildish Building Company for construction services. Funds for this contract are accounted for in the 2025 Capital Plan of \$77.8 million. Variances will be managed within the budget process and Board policy.

**BUDGET CATEGORY:** Electric Capital, Type 1, Coburg Transformer Addition



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners McRae, Barofsky, Schlossberg, Brown, and Carlson  
FROM: Jason Heuser, Public Policy and Government Affairs Director  
DATE: December 3, 2024  
SUBJECT: EWEB's 2025 State Legislative Agenda  
OBJECTIVE: Approval of Resolution No. 2420, EWEB's 2025 State Legislative Agenda

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## Issue

The Oregon Legislature convenes annually – for approximately six months in odd numbered years and almost two months in even numbered years – to enact laws and to set and adjust the biennial budget for the State of Oregon. EWEB has an active advocacy presence during legislative sessions to represent the interests of EWEB and its customers. The 2025 Oregon Legislative Session will begin January 21<sup>st</sup>, preceded by an orientation period and informational hearings in early January.

## Background

Prior to the start of each legislative session, the Board adopts general policy directives for advocacy at the Capitol. These directives are approved by a resolution, after a presentation and discussion with the Board. The adopted directives guide the work of EWEB's lobbying activities. When political considerations test the applicability of these directives, the General Manager makes a determination as to whether a fundamental shift in direction is required. The Board may be asked to reaffirm their policy or direct staff to make necessary adjustments. This practice is derived from Board Policy GP-13 – Board Role in Legislative Session. EWEB staff will prepare monthly "legislative update" memos to the Board throughout the legislative session that will apprise the Board of the bills or issues that EWEB staff is devoting time and resources toward in support or opposition, the implications of these bills for the utility, and prognostications on the likelihood of these bills advancing in the legislative process.

## Discussion

The agenda of the upcoming 2025 Oregon Legislative Session is still coming into focus. At the time of this memo, Democrats reached 3/5<sup>ths</sup> supermajorities in both the House (36-24) and Senate (18-12) which will allow for revenue raising measures to be passed with votes solely from the majority party. However, a pending recount in a House district race could potentially alter this. There are indications that increasing housing supply/affordability and reducing homelessness will again be a centerpiece policy focus for the legislature, along with enactment of a major transportation funding package. Other key legislative topics include drug addiction treatment, behavioral health, maternity care, rural pharmacy coverage, wildfire suppression funding, and recycling modernization.

## Possible 2025 Oregon Legislative Session Topics

*Utility Rate Caps – EWEB Position: Monitor/Oppose if amended to include consumer-owned utilities*

It is likely that electric and natural gas consumer advocates will propose some form of rate cap legislation that would apply to investor-owned utilities regulated by the Oregon Public Utilities Commission. Based upon

testimony at interim legislative committee hearings and filings to the OPUC the legislation would be expected to cap any rate increase at 7% plus the rate of inflation, or 10% annually, whichever is lowest. A rate increase to cover costs that go over that would need to be pushed to the following year or beyond. This legislation would not be expected to apply to consumer-owned utilities like EWEB. EWEB has generally opposed constraints on price/rate setting that reduces the authority and expertise of the regulating entity (OPUC or Boards).

Background: Average bills for Portland General Electric, Pacific Power, and NW Natural have increased between 30-50% since 2022.

#### *Solar Consumer Protection – EWEB Position: Support*

In response to September interim legislative committee testimony from the Oregon Department of Justice's (DOJ) Consumer Protection Division and educational outreach from Oregon utilities sharing information on legislation passed in Washington state earlier this year, Oregon legislators have initiated drafting of a legislative concept modeled after Washington's new law. Stakeholders including Oregon DOJ, Oregon Solar Energy Industries Association (OSEIA), Consumer Protection advocacy groups, utilities (including EWEB), Oregon AARP, and the Oregon Department of Energy, will be meeting in November and December to discuss the possible design choices of the legislation.

Background: In 2023 the Washington Legislature enacted SB 2156, known as "the Washington Solar Consumer Protection Act." Washington Legislators, Consumer Protection Advocates, the Washington Solar Industries Association were responding to growing signs of out of state dubious sales lead generators and marketing companies responsible for misleading solar energy ads suggesting "free solar" was available, often citing the Inflation Reduction Act. High pressure and deceptive sales tactics, as well as subpar installation quality, are also a growing problem. While there are many good actors in the solar energy industry, the uptick in examples of bad actors is concerning especially as Inflation Reduction Act solar incentives are set to be deployed.

Washington's Solar Consumer Protection Act introduces new requirements that prohibit certain predatory tactics, outline precise directives for specific contractual language, reinforce current regulations regarding the licensing of solar installers, and grant increased authority to the WA Attorney General's office to impose penalties on non-compliant companies. The legislation also requires solar contracts to explicitly disclose certain costs and clearly state what to expect as far as system performance, using best-practice methodology. Additionally, it facilitates an "apples to apples" comparison of competitive quotes and provides a clear explanation of consumer rights, including an opportunity to cancel a contract within the first 72 hours. The legislation also imposes penalties on companies that fail to adhere to these requirements.

#### *Wildfire Policy – EWEB Position: Monitor*

The Oregon Wildfire Funding Strategies Advisory Group is expected to issue a final set of recommendations soon to the legislature for the 2025 session, aiming to address funding shortfalls, for Oregon to be capable of effectively responding to larger and more expensive wildfires in recent years. This advisory group is striving to achieve consensus but if that proves elusive it could forward a set of multiple options, without recommendation, for the legislature to consider. A long list of possible funding sources could include property owner assessments, forest harvest taxes, and fees on electric utility bills, among other options.

Wildfire liability changes could also be proposed in the 2025 session, in consideration that while utilities are operating under new and increasingly heightened safety standards and making robust investments in infrastructure designed to reduce the risk of utility related ignitions, it is not possible to guarantee that no ignition related to utility distribution and transmission lines might occur.

### *Transmission Siting/Permitting Reform and Financing – EWEB Position: Monitor*

Legislation is expected to be brought forward with intentions to stimulate new electricity transmission development. Details of these proposals are not yet available but are expected to run on two tracks: 1) streamlining transmission siting and permitting; and 2) providing financial assistance to transmission development (funding source TBD). The bill may create a designated “transmission authority” in state government.

### *New Large Electric Load Costs – EWEB Position: Monitor*

Legislation may be introduced with the intention to ensure that new large electric loads locating in Oregon are paying for associated new costs to the grid (i.e. new generation, new transmission, resource adequacy, etc.). No specific details are available at this time. This would likely be focused solely on investor-owned utilities regulated by the OPUC. Current OPUC regulatory mechanisms and authorities may not be flexible to enough to account for the unprecedented uptick in new large electric loads in the Pacific Northwest. In contrast, the governance model for most consumer-owned utilities includes pre-existing local decision-making and authority that could be applied to a topic like this.

Background: The most recent regional electricity load forecast by the Pacific Northwest Utility Coordinating Council (PNUCC) shows load is projected to increase from about 23,700 average megawatts (aMW) in 2024 to about 31,100 aMW in 2033 (an increase of 7,400 aMW), which is an increase in demand of over 30% in the next 10 years. For comparison, the previous year’s forecast projected demand could rise by 24% in 10 years. The rapid expansion of data centers is one of the reasons for the expected increased volume in the Northwest. According to a Cushman & Wakefield report that evaluates data centers by their electricity usage, the Oregon data center market ranks as the fifth largest in the nation. High-tech manufacturing and the trend toward electrification also contribute to the expected increase in regional demand.

### *Recreational Immunity Remedy – EWEB Position: Support*

SB 1576A was enacted in the 2024 legislative session and included a restoration of recreational immunity, a priority for local governments and recreation enthusiasts. The bill added running, walking and biking to the definition of recreational immunity, but included a sunset date at the end of 2025 to allow for pending court cases to be resolved and a workgroup to craft a more durable solution to be adopted in the 2025 legislative session. Reportedly, the workgroup has not been able to reach consensus on a permanent solution yet. In the absence of successful negotiations, one option could be to simply remove the sunset date included in SB 1576A.

Background: In 2023 an Oregon appellate court decision called into question the tort immunity enjoyed by public and private landowners when they allow access to land free of charge for recreation. The issue in question in the case was whether a person hiking on a trail while walking their dog and socializing with a friend was recreating on the trail or was using it for transit to and from a beach recreational area without recreating.

### **Recommendation and Requested Board Action**

Management recommends that the Board adopt the accompanying resolution as provided.

If you have any questions prior to the Dec. 3 Board Meeting, please contact Jason Heuser at 503-269-5540 or [jason.heuser@eweb.org](mailto:jason.heuser@eweb.org).

**RESOLUTION NO. 2420  
DECEMBER 2024**

**EUGENE WATER & ELECTRIC BOARD  
2025 LEGISLATIVE SESSION**

**WHEREAS**, the 2025 Oregon Legislative Session will convene on January 21, 2025; and

**WHEREAS**, the Eugene Water & Electric Board (EWEB) will continue to participate in the legislative process on behalf of its customers; and

**WHEREAS**, the Board has traditionally adopted positions and guidelines which provide general direction for purposes of supporting or opposing specific legislation; and

**WHEREAS**, the Board again desires to set forth such legislative directives.

**BE IT RESOLVED** that the Eugene Water & Electric Board adopts the attached legislative agenda, which includes the following issues and goals:

1. Preserve local control and autonomous ratemaking and cost-allocation authority for consumer-owned utilities like EWEB;
2. Support solar consumer protection measures to improve transparency and disclosure;

**WHEREAS**, new and unanticipated legislation can emerge each legislative session.

**BE IT FURTHER RESOLVED** that the Eugene Water & Electric Board goes on record supporting legislation which generally:

1. Preserves and enhances local control;
2. Complements or improves programs that are cost-effective to our customers; and
3. Preserves, conserves, and restores our natural environment in an equitable and cost-effective manner.

**BE IT FURTHER RESOLVED** that the Eugene Water & Electric Board will oppose legislation which generally:

1. Withdraws the capability of the Board to best serve EWEB's customers;
  - a. Duplicates existing laws, therefore complicating the execution of the Board's duties by state or federal mandate;
  - b. Imposes fees, assessments or procedures that impede the Board's ability to provide high-quality and cost-effective service.

DATED this 3rd day of December 2024.

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

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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 December 3rd, 2024 Regular Board Meeting.

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Assistant Secretary



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD



TO: Commissioners McRae, Barofsky, Schlossberg, Brown, and Carlson

FROM: Deborah Hart, Assistant General Manager/CFO; Aaron Balmer, AIC Financial Services Manager; Alicia Voorhees, Interim Budgets & Rates Supervisor; Janice Lee, Interim Senior Financial Analyst, Daniel Davidson, Senior Financial Analyst

DATE: November 27, 2024

SUBJECT: Electric Utility and Water Utility 2024 Capital Budgets, and Water 2024 O&M Budget Amendment

OBJECTIVE: Approval of Resolution No. 2421

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## **Issue**

Per Board Policy EL-1, the approved budgets are the maximum level of expenditure authorized by the Board. As noted in the most recent *Strategic and Operational Quarterly Report*, Management anticipates capital investments will exceed the budget for both the Electric and Water Utilities, and the Operations and Maintenance (O&M) expenditures will exceed the budget for the Water Utility this year.

## **Discussion**

Throughout the year, staff monitor and project year-end budget variances. As of early November, it is projected both the Electric and Water Utilities investments will exceed the capital budgets and the Water Utility will exceed the O&M budget.

## **Electric Capital**

Operational changes may be broadly characterized as planned future outflows happening in the current period and cost increases from revised project scope and material pricing. The January ice storm instigated a sizable transmission line rebuild this year, with 75% of costs eligible for FEMA reimbursement. Also, with limited production and long lead times, opportunistic transformer purchases were made beyond initial budgeted amounts. In addition, technology projects are anticipated to go-live soon and are exceeding current year budget allocations. Some of these additional costs are offset by underspending on the Carmen-Smith Relicensing project. An amendment to increase the Electric Capital budget by \$7.5 million is requested and would be funded by reserves. Using reserve funding to navigate timing fluctuations for project activity in the long-term financial plan mitigates further stress on prices. FEMA reimbursement is anticipated to occur in 2025 and will be used to replenish reserves.

## **Water Capital**

The E. 40<sup>th</sup> reservoir replacement project was scheduled for completion last year. Tank backfilling and site restoration continued into 2024 as unbudgeted spending contributing to the amendment request. The tanks became operational in early Q1 2024. The College Hill project variance is due to timing of activity on a large contract spanning several years. Both the Shasta and Willamette Water Treatment Plant projects have been delayed due to land use and permitting procedures. The Advanced Water Meter Installation project had higher than budgeted expenses this year in attaining a current deployment level of over 84% of Water AMI



meters. Completion of deployment is targeted for year-end 2025. Technology projects anticipated to go-live soon are exceeding current year budget allocations. An amendment to increase the Water Capital budget by \$4.8 million is requested and would be funded by reserves. Using reserve funding to navigate timing fluctuations for project activity in the long-term financial plan mitigates further stress on prices.

The capital variances are outlined in the table below:

	<u>Electric</u>	<u>Water</u>
Approved Capital Budget	\$69,900,000	\$31,000,000
<i><u>Operational Changes:</u></i>		
Electric Transmission & Distribution Infrastructure	8,200,000	
Carmen-Smith Relicensing	(10,700,000)	
Information Technology	10,000,000	2,900,000
E. 40th Reservoirs		2,200,000
College Hill Reservoirs		800,000
Shasta 975 Replacement		(2,000,000)
Willamette Water Treatment Plant		(1,100,000)
Advanced Water Meter Installation		2,000,000
Total Requested Capital Budget Amendments	<u>7,500,000</u>	<u>4,800,000</u>
<b>Total Amended Capital Budgets</b>	<b>\$77,400,000</b>	<b>\$35,800,000</b>

**Water Operations & Maintenance**

Operating and Maintenance (O&M) spending is projected to be over the approved budget. Higher spending associated with McKenzie River watershed restoration and protection work exceeded budget and is offset by grant revenues. The approved budget did not capture revenue or spending for grants not yet awarded in the planning process. The January ice storm required additional spending for the Water Utility, with 75% of costs eligible for FEMA reimbursement. Also contributing to the O&M amendment request are software costs initially captured in capital budgets for 2025, representing a shift in spending from capital to O&M. An amendment to increase the Water O&M Budget by \$3.6 million is requested, and amounts not reimbursed by grant revenues, would be funded by reserves.

O&M variances have been outlined in the table below:

	<u>Water</u>
Approved O&M Budget	\$32,300,000
<u><i>Operational Changes:</i></u>	
Watershed Restoration and Protection	2,300,000
January Storm Response	600,000
Software Services planned as Capital	700,000
Total Requested O&M Budget Amendment	<u>3,600,000</u>
<b>Total Amended O&amp;M Budget</b>	<b>\$35,900,000</b>

**Requested Board Action**

Management recommends and requests the Board approve Resolution No. 2421 to increase the 2024 Electric Capital Budget by \$7.5 million, Water Capital Budget by \$4.8 million, and Water O&M Budget by \$3.6 million.

**RESOLUTION NO. 2421  
DECEMBER 2024**

**EUGENE WATER & ELECTRIC BOARD  
2024 BUDGET AMENDMENT**

**WHEREAS**, the Eugene Water & Electric Board (EWEB) is the body designated by the City of Eugene Charter and Code to administer the Eugene Electric and Water Utilities;

**WHEREAS**, Oregon Revised Statute 225.230 requires municipal utilities to make an annual written estimate of probable expenses to establish spending authority;

**WHEREAS**, the Eugene Water & Electric Board anticipates expenditures in excess of that authority;

**NOW, THEREFORE, BE IT RESOLVED** that the Board hereby approves an increase to the Electric Utility Capital budget of \$7.5 million, the Water Utility Capital budget of \$4.8 million, and the Water Utility Operations & Maintenance budget of \$3.6 million.

Dated this 3<sup>rd</sup> day of December 2024.

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 December 3, 2024 Regular Board meeting.

\_\_\_\_\_  
Assistant Secretary