

**EUGENE WATER & ELECTRIC BOARD  
REGULAR MEETING  
December 3, 2024  
5:30 p.m.**

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

**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; Megan Capper, Energy Resource Manager; Brian Booth, Chief Energy Resource Officer; Ben Ulrich, Lead Energy Resource Analyst; Lisa Krentz, Generation Manager

**REGULAR SESSION**

**Call to Order [00:00:00]**

President McRae called the meeting to order at 5:31 p.m.

**Agenda Check [00:00:03]**

There were no changes to the agenda.

**Items from Board Members and General Manager [00:00:30]**

Ms. Carlson reported attending the Currin Substation ribbon cutting and the Eugene Chamber of Commerce Economic Summit. She noted that Lane Council of Governments (LCOG) is holding their annual dinner at the Cottage Grove Armory on March 7, 2024. Ms. Carlson has been serving as the LCOG Chair for two years and hopes to continue in her role. She thanked President McRae for his service on the EWEB board.

Vice President Barofsky reported attending the Currin Substation ribbon cutting, the Eugene Chamber of Commerce Economic Summit, and observing a blast at College Hill.

Mr. Brown reported attending an OPEB (Other Post Employment Benefits) meeting. He thanked President McRae and Assistant General Manager Rodney Price for their service to EWEB.

President McRae reported attending the Currin Substation ribbon cutting. He thanked Mr. Price for his service at EWEB.

Ms. Schlossberg thanked President McRae for his invaluable contribution to EWEB.

Mr. Lawson acknowledged EWEB staff who worked continuously to transition the customer system, finance system, customer portal, GIS system, and prepared to “Go Live” with the new system effective December 2, 2024. He presented President McRae with a plaque and spoke of his leadership and dedication to the EWEB Board. He presented Mr. Price with a plaque and thanked him for his service at EWEB.

**Public Input [00:13:42]**

The following testimony was provided to the EWEB Commissioners: The Board neither endorses or opposes, or is responsible for the accuracy of content, of testimony including any links or references provided.

**Danny Noonan**, of Ward 7, shared comments related to the rate design process, stating that he is disappointed with the handling of a set of recommendations made on behalf of a coalition he is involved with.

**Sharie Borneman**, Coordinator for Bethel School District, shared comments related to educational grants. She thanked EWEB for their support.

**Tana Shepard**, of Ward 1, shared comments related to the EWEB educational partnership. She provided updates about recent and upcoming activities.

**Mark Robinowitz** shared comments related to limits to WECC, stating concerns about growth on a finite planet and urging rewriting plans, changing laws, and increasing cooperation.

**Alan Gormezano (Alfredo)**, of Ward 1, stated concern about low-income rates and the cost of efficiency versus the cost of human health.

**Joe Moll** thanked EWEB for their longstanding partnership with the McKenzie River Trust and presented the board with a signed copy of the book “Life on The River” by Barry Lopez.

Ms. Carlson responded to comments about rate design. She offered that completion of the IT system means that they can now look at long term rate design.

**Correspondence [00:33:48]**

Mr. Lawson commented on several pieces of correspondence that were included in the meeting packet and shared a presentation slide summarizing the topics.

- Board Officer and Liaison Positions – List of current officers and appointments for consideration of 2025 assignments
- Education Grants
  - Current IGAs expire August 2025; Proposed changes to next iterations include:
    - Phase 1 – 2025-2027 – Water, Energy, Climate Change and new/renewed focus on Safety & Emergency Preparedness and EV Challenge
    - Phase 2 – 2027 and beyond to focus on meeting educational priorities, complying with district requirements, and tailoring curriculum to local concerns – standardizing materials across school districts to extent possible

- Present Year-End (2024) Audit Planning
  - Final fieldwork scheduled later due to implementation of EWEB Enterprise Solutions (EES); audited financial statements and management letter will be presented June 2025
- 2025 Organizational Goals Development
  - Themes for discussion include Ongoing Operational Efficiency and Effectiveness, EWEB Enterprise Solutions (EES), Asset Management Planning, Strategic Project Prioritization/Management, Energy Delivery Optimization, and Resiliency

## BOARD ACTION ITEMS

### Approval of Consent Calendar – A, Minutes and Routine Contracts [00:39:08]

#### MINUTES

1. November 12, 2024 Regular Session

#### CONTRACTS

2. McMillen Inc. – for Consultant Support for the Leaburg Decommissioning Program. \$18,500,000 (Over 10-years) based on Formal Request for Proposals.

3. SHI International Corp – for a cooperative contract for Microsoft Software Licenses, Maintenance and Support. \$3,500,000 (Over 4-year) (Original contract amount \$2 million over 3 years, amount this request \$1,500,000).

**MOTION:** Commissioner Carlson moved to adopt Consent Calendar A minus number 2. **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 [00:39:50]

Vice President Barofsky explained that he pulled item number 2 from Consent Calendar A because it involves an \$18 million dollar over 10-year contract for the decommissioning of the Leaburg Dam. He requested that staff provide a contract update.

Generation Manager Lisa Krentz agreed with Vice President Barofsky that the McMillen Inc. contract is sizable. She reported that the scope involves program management and owners' representation throughout the Leaburg Decommissioning process. She explained that the reason the proposed contract is for 10 years, rather than for 5 years, is because of the need to maintain consistency throughout the process. She said that through a public Request for Proposals (RFP) process, McMillen, Inc. was identified for their experience decommissioning nationwide – including their primary role in the decommissioning of the Klamath River dams.

**MOTION:** Vice President Barofsky moved to approve item 2. **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 [00:49:24]**

**CONTRACTS**

4. Avant Consulting Solutions – LLC for EES Project-related services \$10,000,000 (over 5-years) (original contract amount previously approved \$5,000,000) based on Direct Negotiation.

5. Oldcastle Infrastructure Inc. – for Precast Concrete Vaults, Lids, and Riser Sections. \$750,000 (over 5-years) based on Formal Invitation to Bid.

6. Smart Energy Systems, Inc. d/b/a Smart Energy Water (“SEW”) – for EES Project-related services. \$5,000,000 (Over 5-years) based on Direct Negotiation.

7. U.S. Geological Survey (USGS) – for Hydrological Surveillance Maintenance, Monitoring and Reporting Services. \$927,000 (Over 5-years) based on Direct Negotiation.

8. Wildish Building Company – for Construction Services at EWEB’s Coburg Substation. \$530,000 based on Formal Invitation to Bid.

**RESOLUTIONS**

9. Resolution No. 2420 – Upcoming Year (2025) State Legislative Agenda.

10. Resolution No. 2421 – Budget Amendment – Electric Capital, Water Capital, and Water O & M for 2024.

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

**Upcoming-Year (2025) Proposed Budgets and Prices [00:49:48]**

Deborah Hart, Assistant General Manager/Chief Financial Officer; Aaron Balmer, AIC Financial Services Manager; Adam Rue, Rates Manager; and Alicia Voorhees, Interim Budget and Rates Supervisor, presented Upcoming-Year (2025) Proposed Budgets and Prices via PowerPoint presentation. They referenced a handout provided in the meeting packet. Ms. Hart clarified that the numbers have not changed since their previous presentation to the Board on November 12, 2024. Staff highlighted proposed rates, affordability compared with other Oregon cities, and EWEB communication channels.

**Public Hearing on Upcoming Year (2025) Proposed Budgets and Prices [00:57:32]**

President McRae opened the public hearing at 6:28 p.m.

**Alan Gormezano (Alfredo)** commented that he did not see an accurate reflection of the portion of income on the graph referenced by staff during their presentation. He reported that as a low-income person, his electric bills range from 33% to 100% of his monthly income.

### **Upcoming-Year (2025) Proposed Budgets and Prices [01:58:10]**

Resolution No. 2422 – 2025 Budget

Resolution No. 2423 – Electric Prices

Resolution No. 2424 – Water Prices

**MOTION:** Commissioner Carlson made a motion to approve Resolution No. 2422. **The motion passed unanimously, 5:0; President McRae, Vice President Barofsky, Commissioner Schlossberg, Commissioner Brown, and Commissioner Carlson all voting in favor.**

**MOTION:** Commissioner Carlson made a motion to approve Resolution No. 2423. **The motion passed unanimously, 5:0; President McRae, Vice President Barofsky, Commissioner Schlossberg, Commissioner Brown, and Commissioner Carlson all voting in favor.**

**MOTION:** Commissioner Carlson made a motion to approve Resolution 2424. **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 [01:11:49]**

#### **2025 Energy Resource Study: Initial Results of BPA Product Analysis [01:11:51]**

Brian Booth, Chief Energy Resource Officer; Ben Ulrich, Lead Energy Resource Analyst; and Megan Capper, Energy Resource Manager, presented the 2025 Energy Resource Study: Initial Results of BPA Product Analysis via PowerPoint presentation. Their presentation focused on a BPA product choice timeline and initial modeling results and findings. Following the presentation, staff responded to questions from the Board.

#### **Break [01:59:33]**

#### **Rate Design Priorities – Record of Board Direction [02:12:03]**

Mr. Lawson and Mr. Rue introduced Rate Design Priorities – EWEB's Initiative to Redesign Customer Rates via PowerPoint presentation. Mr. Lawson referenced a draft rate design plan provided in the meeting packet. His presentation focused on rate design strategy, tradeoffs, and a summary. Following the presentation, Mr. Lawson engaged the Board in a discussion to receive guidance related to the plan.

#### **Future Board Agendas [02:53:35]**

Mr. Lawson introduced future board agendas. He stated that staff are evaluating the annual calendar for recurring agenda items; some of the items may be assigned to correspondence in order to focus on more substantive topics.

#### **Board Wrap Up [02:56:00]**

Ms. Schlossberg acknowledged President McRae for his service on the Board. She thanked Mr. Price for his patience, skills, and communication during his career at EWEB.

Vice President Barofsky recalled that Sarah Medary, Eugene City Manager, spoke to the EWEB Board last month about a proposed fire fee. He reported that during their November meeting, the Eugene City Council put a pause on the proposal, requesting a “plan B.” A future update will be provided to the Board.

Ms. Carlson thanked President McRae and Mr. Price for their contributions at EWEB, specifically their support of Diversity, Equity, and Inclusion (DEI).

Mr. Lawson thanked the Board for their guidance in 2024.

President McRae provided closing remarks related to his term as Board president.

**Adjourn [03:03:33]**

President McRae adjourned the meeting at 8:34 p.m.

*Recorded by Terah Van Dusen, LCOG*

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Assistant Secretary

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President

## EWEB Board Consent Calendar Request

*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve a new contract with **FEI Testing & Inspection** for **Construction Inspection Services**.

Board Meeting Date: January 7, 2025  
Project Name/Contract #: On-Call Construction Testing & Inspection Services / 24-210-PSC  
Manager: Lisa Krentz Ext. 7450  
Executive Officer: Karen Kelley Ext. 7153

### Contract Amount:

Original Contract Amount: \$200,000  
Additional \$ Previously Approved: \$0  
Spend over last approval: \$0  
Amount this Request: \$200,000  
% Increase over last approval: NA  
Resulting Cumulative Total: **\$200,000 (Over 5-years)**

### Contracting Method:

Method of Solicitation: Formal Request for Proposals  
If applicable, basis for exemption: NA  
Term of Agreement: 5 years  
Option to Renew? No  
Approval for purchases "as needed": Yes  No   
Proposals/Bids Received (Range): 3 (Scenario pricing received only)  
Selection Basis: Highest Ranked Proposer  
Narrative:

### Operational Requirement and Alignment with Strategic Plan

An on-call testing service contract will enable EWEB to perform testing and inspections in a timely manner to verify contractor and construction work meets industry standards and project-specific performance requirements. This contract with FEI for testing services is in alignment with EWEB's Strategic Plan to ensure overall *safety* and *reliability* of our projects through work that is completed in conformance with the design specifications. EWEB frequently requires small dollar value testing services while performing capital improvements and facility maintenance projects. Grouping small tasks into a single contract supports effective *stewardship of our customers' financial resources*.

### Contracted Goods or Services

This 5-year contract will allow EWEB to use FEI's testing services on an as needed basis for a variety of projects and testing requirements. FEI can provide a wide range of testing services including field testing, special inspections, materials testing, and other tests related to aggregate, asphalt and concrete quality. The dollar amount for this contract has been established based on historical precedents for EWEB's testing and special

inspection service demands over the previous five-year period from all departments (Electric and Water Divisions) as documented in the 'Prior Contract Activities' table below. 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

In October 2024, EWEB posted a Request for Proposals (RFP) for on-call testing and inspection services on the state of Oregon bid site (OregonBuys). Criteria scored included Performance History (20 Points), Knowledge & Understanding of EWEB's Projects (15 Points), Project Approach and Execution of Work (20 Points), Pricing/Rates (25 Points), and Availability (20 Points). Proposals were evaluated and scored, and FEI Testing & Inspection was selected as the highest ranked responsive and responsible proposer.

Proposals/Bids Received

Vendor Name	City, State	Ranking (for RFPs)
FEI Testing & Inspection	Eugene, OR	1
Earth Engineers, Inc.	Springfield, OR	2
Columbia West	Portland, OR	3

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
19-081-Q	Testing & Inspection	12-3-19	Dec 2019 to Jan 2025	225,000	\$175,000	
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 FEI Testing & Inspection for construction inspection services. The costs for testing and special inspection services are included as a relatively minor component of the overall budgets for a variety of capital improvement projects across the Water and Electric Divisions over the next five years. The capital spending projections for both divisions over the next five years is approximately \$632 million. Variances in special inspection costs will be managed for each of those projects within the overall budget processes and Board policy.

**BUDGET CATEGORY:** All EWEB departments will have access to this contract. Budget category varies depending on project, and may include Electric or Water and both O&M or Capital.



## **EWEB Board Consent Calendar Request**

*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve new contract with **Osmore Utilities Services, Inc.** for **Pole Inspection, Test, & Treat, and NESC and Joint Use Inspections.**

Board Meeting Date: January 7, 2025  
Project Name/Contract #: Pole Inspection, Test & Treat, NESC and Joint Use Inspections / 24-200S  
Manager: Tyler Nice Ext. 7419  
Executive Officer: Karen Kelley Ext. 7153

### **Contract Amount:**

Original Contract Amount: \$1,000,000  
Additional \$ Previously Approved: \$0  
Spend over last approval: \$0  
Amount this Request: \$1,000,000  
% Increase over last approval: NA  
Resulting Cumulative Total: **\$1,000,000 (Over 5-years)**

### **Contracting Method:**

Method of Solicitation: Formal RFP  
If applicable, basis for exemption: NA  
Term of Agreement: Initial term is one (1) year, with option to renew up to five (5) years total  
Option to Renew? Yes, annually up to 5 years total  
Approval for purchases "as needed": Yes  No   
Proposals/Bids Received (Range): 4 (\$145,577.05 - \$258,679.06 per year)  
Selection Basis: Highest Ranked Proposer  
Narrative:

### Operational Requirement and Alignment with Strategic Plan

EWEB is required to maintain poles, clearances and equipment condition in our transmission and distribution systems for regulatory compliance with Federal Energy Regulatory Commission (FERC), National Electrical Safety Codes (NESC) and Oregon Public Utility Commission (OPUC) requirements for system component quality and safety. This work directly supports Organizational Goal #2: Compliance adherence.

### Contracted Goods or Services

Services under the contract include: Wood Pole Inspection, Test and Treatment services, National Electrical Safety Code (NESC) Inspection of up to an estimated 2,500 wood transmission and distribution poles, and non-wood transmission and distribution poles (i.e. steel, concrete, fiberglass, ductile iron, etc.) each year. Staff estimate the cost of these services will be \$1,000,000 over a total five-year period, 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.

Wood Pole inspections will locate damage caused by decay, fungi, insects, woodpeckers, fire, machinery, or other causes. The condition of crossarms and attachments including insulators, bolts, guy wires, and ground wires will be observed and reported. Inspection services include visual observations, excavating, drilling, and climbing activities. For wood poles that pass the inspections, fumigant treatment will be applied. For poles that are rejected during the inspection, EWEB staff will assess for repair or replacement.

NESC and Joint Use Pole Inspection will include detailed visual inspections on all poles and attachments for compliance with NESC and Oregon Public Utility Commission Safety Rules.

Purchasing Process

In October 2024, EWEB issued a formal Request for Proposals (RFP 24-200-S) for pole inspection, test and treatment, and NESC and Joint-Use Inspection Services. This solicitation was advertised on OregonBuys, the state of Oregon procurement site.

Four proposals were evaluated and scored. Criteria and weighting included: ability and capability to perform the services (45%); project approach and reporting (25%); and pricing (30%). Osmose Utilities Services was selected as the highest ranked, responsive and responsible proposer. Osmose personnel assigned to this project are from the Eugene/Springfield and Portland areas.

Proposals/Bids Received

Vendor Name	City, State	Offered Price	Ranking (for RFPs)
Alamon, Inc.	Kalispell, MT	\$178,205.00	2
Intec Services, Inc.	Fort Collins, CO	\$258,679.06	4
National Wood Treating	Albany, OR	\$145,577.05	3
Osmose Utilities Services, Inc.	Atlanta, GA	\$181,768.32	1

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
20-081-S	Pole Inspect, Test and Treat	7/7/20	7/10/20 - 12/31/24	\$560,000	\$866,735	AW/ EW
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 Osmose Utilities Services, Inc. for Pole Inspection, Test, & Treat, and NESC and Joint Use Inspections. Approximately \$250,000 was planned for these services in the Electric Division 2025 budget of \$7.7 million. Variances will be managed within the budget process and Board policy.

**BUDGET CATEGORY:** Electric O&M, Electric Division, Contracted Labor