

**EUGENE WATER & ELECTRIC BOARD  
EXECUTIVE SESSION 1  
4200 ROOSEVELT BOULEVARD / VIRTUAL  
SEPTEMBER 6, 2022**

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

**Others present:** Frank Lawson, General Manager; Tim O'Dell, Right-of-Way Agent; Jared Rubin, Environmental & Property Supervisor; Ramie Alkire, Purchasing Coordinator; Quentin Furrow, Purchasing & Warehouse Supervisor; Anne Kah, Administrative Services Manager, Rod Price, Assistant General Manager; Lena Kostopulos, Chief Workforce Officer; Deborah Hart, Chief Financial Officer; Julie McGaughey, Chief Customer Officer; Karen Kelley, Chief Engineering & Operations Officer; Travis Knabe, Chief Information Officer; Jeremy Somogye, Generation Planner; Holly Shugart, Administrative Assistant; Evan Irons-DeSiena, IT Support Specialist; Ken Baldwin, Physical Security Supervisor

**EXECUTIVE SESSION 1**

The Executive Session was called to order at 4:30 p.m.

**Pursuant to ORS 192.660 (2)(f)**

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

President Brown adjourned the Executive Session meeting at 5:00 p.m.

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Assistant Secretary

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President

**EUGENE WATER & ELECTRIC BOARD  
EXECUTIVE SESSION 2  
4200 ROOSEVELT BOULEVARD / VIRTUAL  
SEPTEMBER 6, 2022**

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

**Others present:** Frank Lawson, General Manager; Lisa Krentz, Generation Manager; Tim O'Dell, Right-of-Way Agent; Jared Rubin, Environmental & Property Supervisor; Mark Zinniker, Generation Engineering Supervisor; Jeremy Somogye, Generation Planner; Rod Price, Assistant General Manager; Lena Kostopulos, Chief Workforce Officer; Deborah Hart, Chief Financial Officer; Julie McGaughey, Chief Customer Officer; Karen Kelley, Chief Engineering & Operations Officer; Travis Knabe, Chief Information Officer; Scott Milovich, Support Services Manager; Anne Kah, Administrative Services Manager; Holly Shugart, Administrative Assistant; Evan Irons-DeSiena, IT Support Specialist; Ken Baldwin, Physical Security Supervisor

**EXECUTIVE SESSION 2**

The Executive Session was called to order at 5:02 p.m.

**Pursuant to ORS 192.660 (2)(e)**

The EWEB Board of Commissioners met in Executive Session to conduct deliberations with persons designated by the governing body to negotiate real property transactions.

President Brown adjourned the Executive Session meeting at 5:37 p.m.

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Assistant Secretary

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President

**EUGENE WATER & ELECTRIC BOARD  
REGULAR SESSION  
September 6, 2022  
5:45 P.M.**

Commissioners may pose questions to staff prior to the scheduled Board meeting. To view Commissioners' pre-meeting questions and staff responses, visit <http://www.eweb.org/about-us/board-of-commissioners/2022board-agendas-and-minutes>.

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

**Others Present:** Frank Lawson, General Manager; Jason Heuser, Public Policy and Government Affairs Program Manager; Greg Kelleher, Customer Operations Manager; Travis Knabe, Chief Information Officer; Juan Serpa Muñoz, Business Line Manager; Rod Price, Assistant General Manager; Rachael Chilton, Customer Experience Program Manager

President Brown called the Regular Session to order at 5:45 p.m.

**Agenda Check**

There were no changes or additions to the agenda.

**Items from Board Members and General Manager**

Commissioner Schlossberg said that she recently purchased an electric bicycle, and was able to take advantage of EWEB's e-bike rebate program; she said she was grateful for the program.

President Brown asked Mr. Lawson to report back to him concerning a recent meeting the latter had with International Paper, concerning the issue of embankment camping above the EWEB water intake.

Commissioner Barofsky said the McKenzie Watershed Council was having a potluck on Thursday, September 8, 2022, at their new offices.

**Public Input**

**Gerry Aster** of Vida announced she had 50 signed petitions for the Board from those in the upriver community who wished to preserve Leaburg Lake.

President Brown thanked Ms. Aster, and assured her the Board, and the utility itself, were focused on the Leaburg issue, and were in almost constant discussions about it, internally, and with members of the upriver community.

## **Approval of Consent Calendar – A, Minutes and Routine Contracts**

### **MINUTES**

1. a. July 27, 2022 Work Session
- b. August 2, 2022 Executive Session
- c. August 2, 2022 Regular Session

### **CONTRACTS**

2. **H & J Construction, Inc.** – for the Construction and Installation of Water Main Pipe on the Lorane Highway. \$948,000 based on a Formal Invitation to Bid.

3. **Myers Power Products** – for a Control House at Currin Substation. \$2,228,000 based on a Formal Request for Proposals.

*Vice President Carlson moved to approve Consent Calendar – A. The motion passed unanimously 5:0.*

## **Approval of Consent Calendar – B, Non-routine Contracts and Other Consent Items**

### **CONTRACTS**

4. **Aviat Networks** – for multiple Microwave Radio Projects. \$228,024 (one time cost) based on a Cooperative Contract through NASPO ValuePoint.

5. **Pacific Excavation** – for the Receiving and Control Building Improvements at the Hayden Bridge Filtration Plant. \$298,000 based on a Formal Invitation to Bid.

6. **Wildish Construction Company**– for the Water Main Replacement on 8th Avenue from Pearl Street to Willamette Street. \$396,000 based on a Formal Invitation to Bid.

### **INTERGOVERNMENTAL AGREEMENTS**

7. **USDA Forest Service (USFS)** – for a collection agreement as part of the Collaborative Restoration Efforts of the Middle McKenzie after the Holiday Farm Fire between EWEB and the USFS. \$302,000 based on Direct Negotiation/Intergovernmental Agreement.

### **RESOLUTIONS**

8. **Resolution No. 2222** – Authorizing the Acquisition of Property Rights along the Leaburg Canal Acquisitions.

*Vice President Carlson moved to approve Consent Calendar – B. The motion passed unanimously 5:0.*

### **EWEB Riverfront Property RFP Next Steps**

Mr. Lawson offered the Board a report and PowerPoint presentation on the results of the Request for Proposals (RFP) on the riverfront property. EWEB management recommended canceling the RFP process on the riverfront property, instead directing

the General Manager to continue pursuing the sale and/or lease within certain guidance parameters, which would be developed in an October Executive Session.

Vice President Carlson said that in the event of an RFP cancelation, she wanted to know what kind of outreach EWEB staff would provide for the community.

Mr. Lawson said staff would definitely reach out to all proposers, and the utility would be in a position to talk to them individually about their specific proposal(s).

Both Commissioner McRae and Commissioner Schlossberg agreed with the stated recommendation.

President Brown also agreed, saying this method would give EWEB and any potential buyers much more flexibility as far as the property was concerned.

Commissioner Barofsky asked when to expect the first check-in concerning the Board's acceptance of this recommendation from staff.

Mr. Lawson replied they would discuss it in Executive Session in October.

***Vice President Carlson moved to adopt the staff recommendation concerning the riverfront headquarters property. The motion passed unanimously 5:0.***

### **2022 Legislative and Regional Policy Update & 2023 Legislative Session Preview**

Mr. Heuser offered the Board a 2022 State Legislative and Regional Policy update, and a preview of the 2023 State Legislative session.

Commissioner McRae asked if the recommendations of the Resilient Efficient Buildings Taskforce were geared toward building codes or legislative incentives.

Mr. Heuser answered that those recommendations were highly geared toward building codes, but there were incentives also being discussed.

Commissioner Barofsky asked if Mr. Heuser could send the Board a memo with talking points, particularly surrounding possible hydroelectric and a second water source questions.

President Brown said he would like EWEB to pursue financial help from the State for the Leaburg project to lessen the impact on ratepayers.

Mr. Lawson pointed out there was a correspondence agenda item scheduled for November, in which Mr. Heuser would be back to talk with the Board so there could be discussion before the EWEB Board reviews the 2023 legislative agenda in December.

#### **Goal #4: RFP for EWEB Enterprise Solutions (EES) Information System Provider – Provide “Intent to Award”**

Mr. Knabe offered the Board a report and PowerPoint presentation on Goal #4: RFP for EWEB Enterprise Solutions (EES) Information System Provider – Provide “Intent to Award.”

In a hypothetical scenario where the software provider became insolvent in the future, President Brown wondered what assurances EWEB would have that the utility would still have access to this proprietary software.

Mr. Knabe said EWEB had chosen an enterprise software as a service (SAAS) system, adding he doubted very much that SAP would go out of business any time soon.

Commissioner Barofsky said it was more likely the software company could be acquired by another company rather than going away entirely, however he was not worried about that with SAP.

#### **2022 Residential Customer Satisfaction Survey Results**

Mr. Lawson offered the Board a report and PowerPoint presentation on the results of the 2022 Customer Satisfaction Survey.

Commissioner Schlossberg asked if the survey’s rate of return was what staff expected it to be.

Ms. Chilton replied the rate of return was in the expected range.

Commissioner Carlson commented on customers’ level of satisfaction with EWEB, and wondered if the results were directly reflective of EWEB, or their outlook in general.

Mr. Lawson replied that customer confidence in EWEB improved slightly on average, although he did not feel it would be fair to speculate the specific reason why. When customers were asked what they would change about EWEB, 35-40% of respondents did not offer any areas for improvement. Responses regarding satisfaction and importance were both skewed lower, which could be interpreted as more of a global feeling.

Commissioner McRae said surveys such as this one were very helpful and informative, and he hoped the utility would conduct one every few years. He also asked if the information from such surveys could be ward-specific

Ms. Chilton answered they went by zip code.

Commissioner Barofsky said that representing his Ward was of utmost importance, and he asked if he would have a chance to dig in with staff to address issues in specific Wards.

Mr. Lawson said that was a good idea, and encouraged the Board to reach out to staff for a meeting about it.

Commissioner Barofsky wondered if there was a way to look specifically at survey data from those living on the University of Oregon campus in large apartment buildings.

Ms. Chilton clarified the survey respondents were exclusively accountholders, adding that staff would be open to a more granular exploration in the future if the Board wished.

### **Net Metering Program and Solar Policies**

Mr. Price, Mr. Kelleher, and Mr. Serpa Muñoz offered the Board a report and PowerPoint presentation on EWEB's net metering program, and the utility's solar policies.

Commissioner McRae asked if there existed ways to adjust the policies for public projects.

Mr. Price said EWEB staff had several tools at their disposal with which they could adjust policies, and added that more study is needed.

Mr. Lawson explained that currently EWEB captures its costs. He pointed out the very long payback time for customers who invest in solar, and said the only way around that would be to subsidize it. He suggested that the policy opportunity is to look beyond kilowatt hours and recognize that in the future capacity will have value.

Commissioner McRae said that from his perspective we collectively might be subsidizing the schools one way or another; either by putting money into a project that does not really make sense, or by providing a subsidy from the EWEB side – by doing the latter, these projects might have more overall value to the community as a whole.

Vice President Carlson wondered if staff had looked at the federal solar subsidies Mr. Heuser mentioned during the earlier Legislative Update.

Mr. Price said, to his knowledge, EWEB staff had not looked at that specifically.

Mr. Kelleher said there were currently tax credits available to businesses; he added what Mr. Heuser spoke about earlier in the meeting was very new, and they had not had a chance to look at it closely as of yet. He added that the challenge for public buildings is they cannot necessarily take advantage of the tax credit.

Vice President Carlson asked if the percentages that businesses are required to pay for new solar could be used for electric vehicle stations.

Mr. Kelleher said there was an amendment in Oregon HB 2496 2019 that allowed the aforementioned percentage to be spent on additional items, including battery storage and energy efficiency. He added that one of the options for new construction of public

buildings is to go twenty percent above energy code, for which EWEB has robust incentives and subject matter experts who can assist.

Commissioner Schlossberg asked if there were renewable energy opportunities, outside of solar, that EWEB could assist with.

Mr. Price offered that one of the opportunities came in the form of energy storage. He added the utility was already in talks with Lane Community College (LCC) about projects.

Mr. Lawson added that the work EWEB was doing with the IRP and rate design will help establish values for different degrees of energy efficiency, and therefore will help us determine how much to compensate customers, and the highest value for our dollars.

Commissioner Barofsky said that he would prefer that EWEB use its expertise to offer an array of qualifying energy efficiency options that public agencies could choose from to meet their economic needs and carbon reduction, rather than EWEB ratepayers subsidizing the solar programs at this time.

President Brown suggested legislative advocacy to change the program requirements, rather than ratepayers subsidizing solar projects.

Commissioner McRae agreed, stating that was why he asked earlier about policy adjustments.

President Brown cautioned the Board against dedicating too much time (and staff time) to this right now, while the Board is already engrossed in many issues.

Mr. Lawson said that currently, the mechanisms that customers have to pay off a solar investment are basically offsetting kilowatt hours. Because EWEB has a cost-based structure, is low priced, and there is no other mechanism to capture carbon value, there was nothing that he could see that the utility could do right now from a policy perspective to avoid ratepayers subsidizing the solar projects of large public projects. He added that EWEB was not giving up on this issue and noted that staff was already dedicating time to modeling solar and batteries and the future value, as well as products and services it could provide.

With regard to costs, Mr. Serpa Muñoz said that EWEB works with a solar contractor and uses the NREL PVWatts calculator to evaluate common solar installations in Eugene. He noted that the cost is more reflective of what we are seeing for net metering installations in our program, and when he ran the numbers using a 25-year life of the system, it had a 38-year payback, therefore even if EWEB were to make changes, the result would not change dramatically.



Mr. Price said the utility would look for tools and opportunities when working with public agencies and would also be addressing these issues in staff's Integrated Resource Plan (IRP).

### **Correspondence & Board Agendas**

Mr. Lawson offered the Board a brief report on correspondence and future Board agendas.

### **Board Wrap-Up**

Commissioner McRae commended staff for the tremendous amount of work they had done surrounding the Leaburg issue, pointing at the informative videos that staff had put together for public outreach.

President Brown said that he had been receiving text message from constituents wondering what power outage protocols EWEB had in place for red flag events.

Mr. Price said there was no specific protocol for shutting off the power during a red flag event, adding that would be a decision the utility would have to make when it became necessary. He added that EWEB was keeping a very close eye on the weather, and that would ultimately inform any shutoff decision.

Commissioner McRae asked Mr. Price to go over the protocol for higher sensitivity shutoffs, for those members of the public listening to the meeting.

Mr. Price said that currently, EWEB's protective schemes were in a much faster tripping mode, meaning there would be less energy that would go into the ignition arc, in case of an event. He said these protocols were being practiced mostly in the upriver territory, and a few other areas in EWEB's system, deemed high-risk.

Mr. Lawson announced he was working with Kelly Hoell on an EWEB Climate Guidebook, which would identify the utility's climate goals, and would also serve as a point-of-record, where EWEB would report its annual carbon footprint.

President Brown adjourned the Regular Session at 8:15 p.m.

*Recorded by Rodney Cimburke*

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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 additional funds to the personal services agreement with **MacKay Sposito, Inc.** for task orders for **Recreation Design Services at Carmen-Smith Project.**

Board Meeting Date: October 6, 2022  
Project Name/Contract #: Carmen-Smith Recreation Design Services / 19-093  
Primary Contact: Karen Kelley Ext. 7153

### **Contract Amount:**

Original Contract Amount: \$650,000 (November 3, 2019)  
Additional \$ Previously Approved: \$362,000 (August 3, 2021)  
Spend over last approval: \$195,000  
Amount this Request: \$395,000  
% increase over last approval: 39%  
Resulting Cumulative Total: **\$1,407,000**

### **Contracting Method:**

Method of Solicitation: Request for Proposals  
If applicable, basis for exemption: NA  
Term of Agreement: Up to 5 Years  
Option to Renew? Yes, annually up to 5 years total  
Approval for purchases "as needed": Yes  No   
Proposals/Bids Received (Range): NA  
Selection Basis: Qualifications Based Selection

Narrative:

### Operational Requirement and Alignment with Strategic Plan

The Board is being asked to approve funds for two amendments to Task Order 5 and one additional task order (Task Order 8) under the personal services agreement with MacKay Sposito, Inc. of Vancouver, WA for the purchase of engineering services for recreation design to be constructed at the Carmen Reservoir at the Carmen-Smith Hydroelectric Project. These tasks will implement major parts of the Recreation and Aesthetics Management Plan (RAMP) portion of the operating license for the Carmen-Smith Project issued by the FERC in May 2019.

### Contracted Goods or Services

Additional design services required to support RAMP implementation include redesign and construction support of the Carmen Diversion Day Use Area, construction support at Smith Reservoir, and implementation of the Sign Management Program. Additional design effort at Carmen Diversion is required to support updates to the Management Plan that will ensure safe recreational opportunities given that the reservoir operates at a lower level than when the Management Plan was originally written. The total fee estimate for the design, engineering, bid/construction phase services and sign procurement is \$200,000. This request includes Smith Reservoir construction support \$50,000 (estimate), Carmen Diversion Reservoir changes \$50,000 (estimate), and

implementation of the Sign Management Program \$100,000 (negotiated task order). Estimates are based upon the cost to perform similar services and construction support at Trail Bridge and Smith Reservoirs.

This estimate may vary depending on the scope and final implementation of the RAMP requirements as agreed upon by the Recreation and Aesthetics Working Group made up of representatives from the Forest Service, Oregon State Parks, and several other regulatory agencies.

Purchasing Process

In August 2019, in accordance with Oregon public procurement rules, EWEB advertised a Request for Proposals (RFP) on the OregonBuys state of Oregon bid site using the Qualifications Based Selection (QBS) process for engineering services. Criteria scored included Project Understanding, Corporate Qualifications, Project Approach, Project Team Qualifications, and Project Management Strategy. Per QBS rules at that time, price was not requested, except from the finalist. MacKay Sposito was selected as the most qualified finalist, consistent with QBS criteria. A contract was successfully negotiated and executed.

The contract structure is that of a Master Services Agreement and subsequent, individually negotiated task orders. Identified major work tasks (Task Orders) will include:

1. Project Management
2. Meeting Support
3. Preliminary Design
4. Smith Reservoir Recreation Area Design (Amended task)
5. Carmen Reservoir Recreation Area Design (Amended task)
6. Trail Bridge Reservoir & Carmen-Smith Interpretation and Education Program Signage Coordination (New task)
7. Permitting Support
8. Bidding Support
9. Construction Administrative Services

Prior Contract Activities

None

Task Orders Approved Under Contract 19-093

The contract was initially awarded (November 3, 2019) in the amount of \$650,000 and amended (August 3, 2021) to add \$362,000. The following tasks have been authorized:

1. Feasibility Study	\$157,515 (complete)
2. Trail Bridge Engineering Design	\$336,207 (complete)
3. Trail Bridge Geotechnical Services	\$34,377 (complete)
4. Trail Bridge Construction Services	\$135,330 (complete 11/22)
5. Smith Reservoir Engineering Design	\$308,931
6. Carmen Diversion Design	\$218,536
7. Ice Cap Creek ADA Improvements	<u>\$16,246</u>

Total: \$1,207,142

**ACTION REQUESTED:**

Management requests the Board approve additional funds to the personal services agreement with MacKay Sposito, Inc. for task orders for recreation design services at Carmen-Smith Project. Construction of all recreation improvements including these services are planned for completion between 2022 and 2024 and are estimated to cost \$2.2 million from the Carmen Smith License Deployment Budget. Variances will be managed within the budget process and Board policy.