

EUGENE WATER & ELECTRIC BOARD
WORK SESSION
EWEB BOARD ROOM
NOVEMBER 20, 2007
5:30 P.M.

Commissioners present: Mel Menegat, John Simpson, and Ron Farmer. Commissioners Patrick Lanning and John Brown were excused.

Others present: Randy Berggren, Tom Buckhouse, Dick Varner, Patty Boyle, Jim Origliosso, Cathy Bloom, Debra Smith, Lance Robertson, Ken Beeson, Marty Douglass, and Krista Hince of the EWEB staff; Harriet Cherry, Eric Gundersen, Pivot Architecture; Ruth Atcherson, City of Eugene minutes recorder.

President Menegat convened the work session of the Eugene Water & Electric Board (EWEB).

ROOSEVELT PROJECT REVIEW

Roosevelt Projects Manager Ken Beeson provided a high level overview of the progress on the Roosevelt Building Project. He explained that the project was still in the schematic design phase and not everything was settled at this point. He stressed that substantial additional material would come before the Board in advance of when Board-level decisions would need to be made. He stated that more detailed schematic design work on the project was planned. He acknowledged escalating costs, but underscored that concrete buildings would be a better investment in the long term. He reviewed a slide of the current site plan, noting that the employee parking had been moved closer to the building. He said plans were still moving forward as if the administration building would move to the Roosevelt location at some point in the future.

Mr. Beeson covered the following points:

- Whether or not a traffic signal would be required at the entrance to the site had to do with the number and size of the vehicles entering and exiting the road.
- The same general shape was planned for the operations building, though the size had been reduced in accord with the budget reduction. The functional work areas were close to the same size.
- The building was still planned to be two stories, with the shop on the first floor and offices on the second.
- They were still doing a lot of work on the northwest corner where the transformers were located.
- While the shape of the inside footprint was not known for certain, the design for the outside of the building was set.
- The Building Advisory Team (BAT) had discussed the “eco-machine” extensively, i.e. an onsite sewage treatment process. The BAT was working to ensure that it would work and that it would be permitable. At this point there was confidence that it would work and that a permit was attainable.

Vice President Simpson asked where the security gate would be located. Mr. Beeson replied

that it would be on the east entrance. He underscored that there would be lighting and security as well.

In response to another question from Vice President Simpson, Mr. Beeson stated that electric and water service would come from Roosevelt Boulevard; it was undergrounded at this point. He said electric, water, and communications would be collocated in a joint trench. Regarding Vice President Simpson's question on whether there would be a back-up data center at the Roosevelt location, he said there had not been plans to put one there but one of the pieces of work they were moving into was to "get clear" on what data requirements would be at the site. He said one thing the BAT would review would be the potential inclusion of a disaster recovery center at the Roosevelt site as the space was there to accommodate such a facility.

Vice President Simpson asked how they could insure the longevity of the asphalt. Mr. Beeson replied that it would be constructed on a bed of rock and built to specifications. He said that after 20 years money would have to be spent on repairs.

Vice President Simpson asked what traffic modifications to Roosevelt Boulevard would be required. Mr. Beeson replied that a deceleration lane from Belt Line Road and a signal, with a possible turn lane, would have to be constructed. He added that if the traffic signal were approved, EWEB would install one. He underscored that they were working with the city to ensure that access to the site was safe.

Continuing, Vice President Simpson asked where photovoltaic (PV) panels would be located. Mr. Beeson replied that there were none in the budget at this time. He said when the canopies were built they would likely "think ahead" to the possibility of one day installing a PV system. He noted that solar hot water heaters were still included in the plans. Vice President Simpson encouraged pre-engineering activities so that the capacity to support PV panels was built into the structures.

Commissioner Farmer asked what the current operations yard was paved with. Mr. Beeson replied that it was asphalt and had been replaced in 1985.

In response to a question from Commissioner Farmer, Mr. Beeson explained that the Fire Department had indicated that only one access would meet the needs for the property and that a second access point had been dropped from the plan.

Commissioner Farmer asked how much the security gate would cost. Mr. Beeson estimated the cost to be \$20,000 to \$30,000.

Commissioner Farmer wanted to know how many examples there were of the "eco-machine" sewage system. Mr. Beeson replied that there were six or eight examples around the country. He reiterated that they intended to take a "hard look" at such a system. In response to a follow-up question from Commissioner Farmer, Mr. Beeson stated that such a system would cost EWEB approximately \$300,000, similar to the cost to hook up to the city's system.

Commissioner Farmer asked if it would cost another \$300,000 if the system did not work. Mr. Beeson responded that he would research it further in order to provide an accurate answer. He added that they intended to put in a stub for the city's system when the earth work was undertaken just in case EWEB needed to connect to it.

Commissioner Farmer remarked that he supported the "eco-machine" process if there was certainty that the system would work.

Commissioner Farmer observed that lumber prices had come down. He asked how the current costs compared relative to the original projected costs. Mr. Beeson replied that they would conduct a detailed check of the current cost estimate. He said at present the BAT would like to go forward with a budget level of approximately \$83.5 million, with the intention of carrying everything possible in the contingencies.

Commissioner Farmer encouraged the BAT to look into the risk that lay in terms of financing costs. He felt that by the time EWEB was ready to build it could find itself in a "credit crunch" that would drive financing costs up.

Mr. Beeson reviewed the permits that would be required to build on the site. He underscored that EWEB was working closely with the city in order to ensure that the permits were in order and the project was on track. He explained that the joint permit application included a mitigation plan for wetland impacts. He stated that approximately half of the 52 acre site was considered to be wetlands, but the wetlands were classified as developable with mitigation. He clarified that the mitigation would be conducted both onsite, with a 10-acre restoration project, and offsite, through the purchase of credits from the West Eugene Wetland Mitigation Bank. Regarding the latter, he stated that EWEB would be purchasing circa 8.7 acres of credit, at approximately \$50,000 per acre. He related that the Department of State Lands (DSL) would require an Instrument of Protection and a receipt for the mitigation bank purchase. He anticipated that the mitigation bank credits would be purchased when it was certain that EWEB would be able to obtain permits from the Department of Environmental Quality (DEQ), the Army Corps of Engineers (ACOE), and the DSL. He wanted to avoid making the purchase and then not engaging in the work for a year.

Regarding the financing process, Mr. Beeson stated that at the beginning of December architectural cost analysts and Lease Crutcher Lewis, EWEB's contractor, would prepare detailed estimates based on all of the design conducted up to that point. He averred that they would come up with a cost that could be "taken to the bank." He said once the cost estimate was arrived at it would be reconciled and then brought before the Board on February 5 to request authorization to move forward. He underscored that the project budget would not be higher than the amount previously approved by the Board, though he predicted the project would have to carry contingencies.

Mr. Beeson outlined the process for the Uniform Revenue Bond Act (URBA) bond. He projected the amount to be financed at \$78 to \$80 million, reiterating that the amount would be

established in detail at that point. He anticipated that the URBA bond would be placed on the Eugene City Council Consent Calendar for authorization on February 25; the remonstrance period would then end on April 28. He said EWEB wanted to ensure the information was provided to the Council and that any questions would be directed to the Board or staff, depending on how technical they were.

Vice President Simpson asked if the bond sale notice would be published before or after the remonstrance period. Mr. Beeson explained that the notice in the paper started a 60 day clock on the remonstrance period, after which the debt could be issued.

Mr. Beeson reviewed the construction timeline and process. He explained that the team thought there would be three major bid packages: for site work, for foundations and structures, and for buildings. A fourth bid contract for furniture and amenities would be much smaller and would not be sought until the project was well underway. He discussed the current cost estimate, noting that he believed the amount built in for escalating costs would be spent. He said if a bid came in such that there were savings from the original projections staff recommended allocating the surplus to contingency funds until the project was completed. He added that it was possible that a bid could come in needing additional money.

Commissioner Farmer observed that Mr. Beeson was describing two different scenarios and asked him to more clearly delineate the difference. Mr. Beeson responded that the difference “at the end of the day” should not be anything. He believed that the costs would come in within the current estimates. He stated that he would be coming before the Board three times over two years to ask approval for amendments to the contracts based on the bids.

In response to a question from Commissioner Farmer, Mr. Beeson affirmed that if the bids came in under projections he would not come before the Board to approve the change. He reiterated that the scope of work would be clear when the project budget was brought forward.

Mr. Beeson underscored that contingencies were in place to cover the possibility of bids coming in higher than projected and also to cover changes in the scope of the work. He explained, regarding the latter, that changes could occur because EWEB decided there was something else needed at the site or because of unforeseen circumstances. He said when they put out the bids they would put into place some alternates – i.e. certain things which could be installed which were not scope additions that could be increased or decreased or eliminated. He cited insulation as an example of such a change, as the construction manager could determine that the building could be built with six inch insulation instead of eight inch insulation.

Commissioner Farmer said he would like to hear from the third party contractor group that previously provided input on the project regarding the bidding process approval. General Manager Randy Berggren responded that Mr. Beeson was discussing a standard purchasing policy for EWEB and trying to create administrative consistencies. He did not believe it would change the outcome of

the project.

Commissioner Farmer asked if any of the guarantees on the wetlands mitigation would stop the headquarters from being sited at the Roosevelt Boulevard location in the future. Mr. Beeson replied that the line at which the wetlands were located had been clearly established and should the Board decide to move the headquarters building out to the site it would be located outside of that line.

In response to a question from Commissioner Farmer, Mr. Beeson stated that he would communicate with the city staff and ensure that the URBA bond did not exceed the scope of the City Council Consent Calendar.

Treasurer Jim Origliosso remarked that EWEB's experience with URBA bonds at the Council level was that it typically was placed on the Consent Calendar and then would likely be pulled by one of the Councilors to discuss it.

Commissioner Farmer asked if the purchase of mitigation bank credits was guaranteed to result in an equal parcel of wetlands being established elsewhere. Mr. Beeson replied that he was reasonably certain that credits were one for one acres of credit versus acres of renovated wetlands. He added that he would confirm this for the Board.

Vice President Simpson asked about the Instrument of Protection. Mr. Beeson responded that it had not been written at this point. He explained that how it would work was prescribed in the Oregon statute. He said they would be putting into place a resolution called the Instrument of Protection that dictated that the portion of the property that was set aside for wetlands would remain that way into perpetuity.

In response to a follow-up question from Vice President Simpson, Mr. Beeson said the wetlands would be restored to how they were 150 years ago. Vice President Simpson asked if EWEB could help mitigate other wetlands sites rather than purchasing wetlands credits and save money. Mr. Beeson replied that he was not certain. He surmised that it would be hard to cost justify EWEB conducting mitigation on its own.

Mr. Beeson stated that staff intended to continue to keep working with the constituencies to inform them. He thought that staff would likely schedule another meeting at Peterson Barn prior to the February action.

President Menegat related that he had the opportunity to work with the BAT. He expressed appreciation for all of the work that Mr. Beeson, the construction manager, the architects, and staff were doing on the project. He suggested that the Board review the updated drawings. He averred they were "spectacular."

President Menegat adjourned the meeting at 6:52 p.m.

Assistant Secretary

President

Eugene Water & Electric Board Consent Calendar Request

Date: January 7, 2008

Staff Contact: Kurt Suzuki Ext. 3936

For Contract Awards, Renewals and Increases:

Project or Job Number: RFQ No. 1056-2007/Job No. 28633/29079

Project or Job Name: Personal Protective Equipment Tester

Vendor's Name: Hanco International

Original Contract Amount: \$108,325.00

Additional \$ Previously Approved: \$ N/A

Amount this Request: **\$108,325.00**

Cumulative Amount: \$108,325.00
(Including this request)

Method of Solicitation: Informal Quote
(Formal bid, informal quote, RFP, exemption, other)

Means of Advertisement: N/A
(Applies to Solicitation)

Results of Solicitation: Intent to award issued

If applicable, basis for exemption: N/A

Term of Agreement: **One-time Purchase**

Option to Renew? No

Action:

☒ Contract Award
☐ Contract Renewal
☐ Contract Increase
☐ Other

Agreement Covers:

☒ Goods
☐ Services
☐ Personal Services
☐ Public Works

Form of Agreement:

☒ Single Purchase
☐ Price Agreement
☐ PSC/SC
☐ Construction Contract
☐ IGA
☐ Other

Funding Source:

☒ Budget
☐ Reserves
☐ New Revenue
☐ Bonding
☐ Other

BUYER: CG

The Board is being asked to approve the purchase of a personal protective equipment tester from **Hanco International**.

On October 25, 2007, an informal solicitation was sent to 3 potential bidders. Offers were received from Hanco International (Canton, Ohio) and The VON Corporation (Birmingham, Alabama). All offers were evaluated and **Hanco International** was determined to be the lowest responsive-responsible bidder whose offer best serves the interests of EWEB.

This testing equipment allows EWEB staff to test critical protective equipment (such as high voltage gloves, sleeves, insulating blankets, etc.) used by Electric staff working around high voltage. Hanco International offered documentation and a maintenance program that assures the personal protective equipment tester is in compliance with American Society for Testing and Materials (ASTM) and U.S. Dept. of Labor Occupational Safety & Health Administration (OSHA) regulations. This is a major safety component required for accuracy, compliance and reliability in EWEB's personal protective equipment (PPE) program.

Staff requests Board approve the one-time purchase of personal protective equipment tester from **Hanco International**. Funds for this purchase were budgeted for 2008.

SIGNATURES:

Project Coordinator: _____

Supervisor: _____

Purchasing Manager: _____

Division Director: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____

Eugene Water & Electric Board Consent Calendar Request

Date: January 15, 2008

Staff Contact: Karl Morgenstern Ext. 3322

For Contract Awards, Renewals and Increases:

Project or Job Number: IGA # 11990

Project or Job Name: 2008 Water Quality Monitoring Technical Assistance Activities

Vendor's name: Lane Council of Governments (LCOG)

Original Contract Amount: \$99,999

Additional \$ Previously Approved: \$ N/A

Amount this Request: \$99,900

Cumulative Amount: \$99,999
Including this request

Method of Solicitation: Exemption

Means of Advertisement: N/A
(Applies to Solicitation)

Results of Solicitation: N/A

If applicable, basis for exemption: EWEB Rule 6-0110 (1) (a)

Term of Agreement: January 1, 2008 thru December 31, 2008

Option to Renew? No

Action:

☒ **Contract Award**
☐ **Contract Renewal**
☐ **Contract Increase**
☐ **Other**

Agreement Covers:

☐ **Goods**
☐ **Services**
☒ **Personal Services**
☐ **Public Works**

Form of Agreement:

☐ **Price Agreement**
☐ **PSC/SC**
☐ **Construction Contract**
☒ **IGA**
☐ **Other**

Funding Source:

☒ **Budget**
☐ **Reserves**
☐ **New Revenue**
☐ **Bonding**
☐ **Other**

Purchasing Analyst: CAM

The Board is being asked to approve a new Intergovernmental Agreement with **Lane Council of Governments (LCOG)** for Water Quality Monitoring Technical Assistance Activities.

LCOG previously provided design and development services for EWEB's drinking water monitoring database. That work included integrating EWEB's water-quality database to GIS tools, designing and developing a website that allows public access to EWEB's source protection data, and assistance in analyzing and evaluating non-point source pollution in the McKenzie Watershed. LCOG's involvement with this previous work has give them the in-depth knowledge and expertise needed to assist EWEB with its drinking water source protection program initiatives for 2008.

The 2008 work includes continuing to develop a watershed hydrologic model that uses existing monitoring and GIS data to analyze watershed health over time. The new work would also assist EWEB with implementation of its non-point source of pollution evaluation and assessment subprogram (septic system assessment and mitigation project, McKenzie Ag & Water management System development, support for tracking forest chemical applications) and develop of a GIS-based mechanism to track zoning/development and point sources of pollution in the watershed.

Staff requests Board approval of a new Intergovernmental Agreement with **Lane Council of Governments** for 2008 water quality monitoring technical assistance activities, which utilizes work previously performed by LCOG. Funds for this work were included in the 2008 budget.

Project Coordinator: _____

Supervisor: _____

Risk Manager Signature: _____

Division Director Signature: _____

General Manager Signature: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____

Eugene Water & Electric Board Consent Calendar Request

Date: January 8, 2008

Staff Contact: Chuck Dalton Ext. 3305

For Contract Awards, Renewals and Increases:

Project or Job Number: RFP 015-2004, Job No. 689

Project or Job Name: Low-Income Energy Assistance Programs

Vendor's Name: Lane County Human Services Commission

Original Contract Amount: \$1,635,000

Additional \$ Previously Approved: \$

Amount this Request: **\$900,000**

Cumulative Amount: \$2,535,000
(Including this request)

Method of Solicitation: RFP
(Formal bid, informal quote, RFP, exemption, other)

Means of Advertisement: EWEB Website, Mailed to known providers
(Applies to Solicitation)

Results of Solicitation: Awarded to Lane County – HSC

If applicable, basis for exemption: N/A

Term of Agreement: August 1, 2004 – September 30, 2008

Option to Renew? Yes. Renewable up to five years

Action:

 Contract Award
 Contract Renewal
 X Contract Increase
 Other

Agreement Covers:

 Goods
 X Services
 Personal Services
 Public Works

Form of Agreement:

 Single Purchase
 Price Agreement
 X PSC/SC
 Construction Contract
 IGA
 Other

Funding Source:

 X Budget
 Reserves
 New Revenue
 Bonding
 Other

BUYER: QF

The Board is being asked to approve an increase to the contract with **Lane County's Human Services Commission (HSC)** for administrative support of low-income energy assistance programs.

In July 2004, the Board approved the award of a contract to HSC for administrative support related to EWEB's low income energy assistance programs. Under this contract, EWEB's Customer Care funds are made available to qualified applicants.

The Contract specified the dollars the utility would pay for these services annually, based on historical program expenditures and activity levels. The purchase order was prepared to coincide with EWEB's fiscal year, which has allowed an additional \$375,000 worth of invoices (22.9% over the original approval—still within the 25% overage) to be paid. It is expected that an additional \$525,000 will be required to continue activities through the remainder of the Contract period.

Staff requests Board approve an increase to the contract with **Lane County's Human Services Commission (HSC)** for administrative support of low-income energy assistance programs. Funds for these services have been budgeted for 2008.

SIGNATURES:

Project Coordinator: _____

Supervisor: _____

Purchasing Manager: _____

Division Director: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____



TO: Commissioners Simpson, Farmer, Lanning, Brown and Menegat
FROM: Charles Dalton, Customer Relations Manager
DATE: January 8, 2008
SUBJECT: Consent Calendar Request: Customer Care Programs Purchase order

Issue Statement

EWEB needs to issue a purchase order to support the contract with the Lane County Human Services Commission (HSC) to administer the Customer Care program activities through September 30, 2008, the remainder of the current contract. This will support all expenditures for the Customer Care programs through the remainder of the program year that runs from October 1, 2007 through September 30, 2008.

Background

The current contract with HSC, to administer EWEB's Customer Care programs started August 5, 2004 and expired September 30, 2005. The contract provided for annual renewals through September 30, 2008. The program year for these programs runs from October 1st through September 30th.

A purchase order was written in 2004 for a total of \$1,635,000 to cover the August 5, 2004 to September 30, 2005 program year. The funds on this purchase order were split between administrative payments to HSC, \$566,000, and actual payments to customer accounts, \$1,069,000. At the time this purchase order was written, the practice was to not only pay HSC for their administrative activities but also provide funds for customer payments. In essence, each month EWEB and HSC would exchange checks for monies posted to customer accounts. Shortly after the purchase order was written, EWEB stopped the practice of sending HSC funds for customer account payments. EWEB began posting these payments directly to the customer's account upon notification from HSC that that customer qualified. This vastly reduced the amount of funds that were paid to HSC on an annual basis. As a result, approximately \$566,000 was expended on this purchase order for the 2004/2005 program year, leaving approximately \$1,069,000 of funds available for future activities.

The annual budget for HSC activities has remained constant at \$566,000 for administrative overhead and program delivery costs. Even though the contract with the HSC was renewed annually the original purchase order was sufficient to fund administrative and program costs for three plus years.

In June of 2006, a \$375,000 amendment to the purchase order was written. This amount was within the 25% increase allowance permitted by EWEB's Purchasing Policies. As a result, no Board approval was required and invoices continued to be paid through November of 2007. In the last months of 2007 the original \$1,635,000 plus the \$375,000 amendment had been spent. This left one HSC invoice in the amount of \$93,617 for the fourth quarter of 2007 unpaid and all 2008 budgeted activities without authorized funding.

Discussion

At this time, staff requests funding authorization sufficient to pay outstanding invoices and program costs through final contract expiration. The amount requested includes:

1. \$93,617 outstanding HSC invoice for December 2007 activity;
2. \$424,500 HSC funding through September 2008; and
3. \$375,000 previously added to the existing purchase order.

All amounts are consistent with the approved budget, which has remained unchanged since contract inception in 2004.

Recommendation

Approve the budgeted expenditure of \$900,000 for Lane County Human Services for the balance of the current contract, through September 2008.

Suggested Motion

Move to approve the attached consent calendar item as written.

Eugene Water & Electric Board Consent Calendar Request

Date: January 15, 2008

Staff Contact: Marc K Anderson Ext. 3755

For Contract Awards, Renewals and Increases:

Project or Job Number: 29434

Project or Job Name: Leaburg Boat Landing

Vendor's Name: OBEC Consulting Engineers

Original Contract Amount: \$18,750

Additional \$ Previously Approved: \$49,900

Amount this Request: **\$24,000**

Cumulative Amount: \$92,650

Method of Solicitation: Exemption

Means of Advertisement: _____

Results of Solicitation: _____

If applicable, basis for exemption: Rule 4-0200: Direct Appointment of A&E

Term of Agreement: _____

Option to Renew? Yes, as needed to complete the work

BUYER: GDM

The Board is being asked to approve an increase to the existing contract with **OBEC Consulting Engineers** for engineering services related to the Leaburg Boat Landing.

At the December 18, 2007 work session, the Board requested two things; (1) a complete cost estimates for potential highway improvements; and (2) into which accident history percentile did the Leaburg Dam Road/Highway 126 intersection fell. OBEC estimates it will cost \$21,500 to complete cost estimates for potential highway improvements at the Goodpasture and Water Board Park boat landing sites. OBEC will also complete additional research into the automobile accident history at the intersection of Leaburg Dam Rd. and Highway 126. Their previous research revealed that the Leaburg Dam Road/Highway 126 intersection was not identified in the top 5% of Safety Priority Index System list. The Board asked into what percentile the intersection falls into; this work will cost an additional estimated \$2,500.

Please note that another contract amendment(s) will be needed for future work. Upon the Board's selection of a boat landing site, OBEC will prepare preliminary site designs. EWEB and OBEC will then meet with the public to obtain their input for the final design. OBEC will then complete the final design. The cost for OBEC to complete these designs is not known at this time. Design costs are dependant on the site selected. The highway improvements needed at each potential site vary greatly as does the cost of engineering to design those improvements. Staff will return to the Board to request approval of additional amendments that may be needed for anticipated engineering services.

Staff requests Board approve an increase to the contract with OBEC for engineering work for the Leaburg Boat Landing Project. Funds for these services are available in the 2008 budget.

Action:

☐ Contract Award
☐ Contract Renewal
☒ Contract Increase
☐ Other

Agreement Covers:

☐ Goods
☐ Services
☒ Personal Services
☐ Public Works

Form of Agreement:

☐ Single Purchase
☐ Price Agreement
☒ PSC/SC
☐ Construction Contract
☐ IGA
☐ Other

Funding Source:

☒ Budget
☐ Reserves
☐ New Revenue
☐ Bonding
☐ Other

SIGNATURES:

Project Coordinator: _____

Supervisor: _____

Purchasing Manager: _____

Division Director: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____

Eugene Water & Electric Board Consent Calendar Request

Date: January 4, 2008

Staff Contact: Debbie Spresser Ext. 3319

For Contract Awards, Renewals and Increases:

Project or Job Number: RFP No. 031-2007/Job No. 29655

Project or Job Name: Quail Run Site Restoration Project

Vendor's Name: Second Growth Inc.

Original Contract Amount: \$72,280

Additional \$ Previously Approved: \$ N/A

Amount this Request: \$72,280

Cumulative Amount: \$72,280
(Including this request)

Method of Solicitation: Request for Proposal
(Formal bid, informal quote, RFP, exemption, other)

Means of Advertisement: EWEB Purchasing Website
(Applies to Solicitation)

Results of Solicitation: An intent to award was issued to
Second Growth Inc.

If applicable, basis for exemption: N/A

Term of Agreement: January 16, 2007 thru January 15, 2012

BUYER: CG

Option to Renew? No

The Board is being asked to approve a new contract with **Second Growth** (contractor) for vegetative restoration of EWEB property at Quail Run Site.

On November 19, 2007, EWEB issued a Request for Proposal (RFP) for services related to restoration, establishment and maintenance of native vegetation on a 1/3 acre parcel of EWEB property referred to herein as the Quail Run Site. One proposal was received; and Second Growth Inc. was determined to have submitted a competitive offer that met all requirements of the RFP.

In April 2006, high winds toppled trees located at Quail Run Site causing damage to EWEB property. If approved, this 5-year contract will restore, establish, and maintain site vegetation so that it becomes dominated by low growing native species of shrubs and trees that will provide high quality, diverse wildlife habitat while reducing the potential for tree-caused damage to EWEB's 115kV transmission lines that are located near the site.

These are ongoing services; however, BOLI considers this to be a Public Works and is, therefore, requiring EWEB to pay Prevailing Wage Rates. Staff has marked this consent as "Public Works" to reflect this technical distinction, but in reality, once the initial planting is finished, this contractor will only be maintaining the vegetation they planted.

Staff requests Board approve award of a contract with **Second Growth Inc.** for vegetative restoration and maintenance services. Funds for this work were budgeted in 2008.

Action:

☒ Contract Award
☐ Contract Renewal
☐ Contract Increase
☐ Other

Agreement Covers:

☐ Goods
☒ Services
☐ Personal Services
☒ Public Works

Form of Agreement:

☐ Single Purchase
☐ Price Agreement
☒ PSC/SC
☐ Construction Contract
☐ IGA
☐ Other

Funding Source:

☒ Budget
☐ Reserves
☐ New Revenue
☐ Bonding
☐ Other

SIGNATURES:

Project Coordinator: _____

Supervisor: _____

Purchasing Manager: _____

Division Director: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____

RESOLUTION NO. 0802
2008 SUPPLEMENTAL LEGISLATIVE SESSION

WHEREAS, the 2008 Legislature convenes on February 4, 2008 and runs through the month for an inaugural supplemental session; 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. Climate Change: Monitor legislation and advocate for rational, meaningful, and comprehensive strategies to achieve carbon reductions.
2. Oregon Sustainable Agriculture Resource Center (OSARC): Support legislation to develop and fund OSARC and the promotion of ecologically sustainable agriculture, to the benefit of water quality and fish and wildlife habitat.
3. Water Conservation, Reuse and Storage Investment Fund: Support legislation to develop and fund up-front planning costs of water development projects.

WHEREAS, new and unanticipated legislation can emerge each legislation 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. Minimizes transfers or withdraws the capability of the Board to best serve EWEB's customers;
2. Duplicates existing laws, therefore complicating the execution of the Board's duties by state or federal mandate;
3. Imposes fees, assessments or procedures that impede the Board's ability to provide high-quality and cost-effective service.

Dated this 15th day of January 2008.

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

President

I, KRISTA K. HINCE, 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 January 15, 2008 Regular Board Meeting.

Assistant Secretary

EWEB's 2008 Supplemental Session Agenda

The 2008 Supplemental Session is quickly approaching (February 4-29th, 2008). Overall, it is shaping up that there will be limited opportunities to advance EWEB goals and interests, although a late decision to “discuss” climate change now requires careful monitoring. Senate and House Leadership have indicated a specific desire to largely limit the agenda in February to 1) noncontroversial “housekeeping” legislation; and 2) budget adjustments, including a very small number of “adds”. There could be only as many as a dozen bills approved. At this time, I have identified the following issues of interest that I recommend EWEB apply its efforts towards.

MONITOR: Legislative Strategies to Address Climate Change (Priority: High)

The House Environment & Energy Committee met on November 30, 2007 and expressed a desire for Legislative Counsel to draft and present a buffet of legislative actions that would address Climate Change and Greenhouse Gas Emissions. It was implied that the committee would then “select” a menu of options from that buffet. At the time of these board materials being finalized, the committee is scheduled to meet again on January 8, 2008, and it is possibly they will unveil some sort of proposal. Again, with open-ended instructions provided to Legislative Counsel at the last meeting, it is unclear to what extent any legislation would be designed to integrate within a regional approach, such the proposal being developed by the Western Climate Initiative (WCI), or a future federal approach such as the Warner-Lieberman legislation being debated now by Congress.

It is recommended that EWEB closely monitor legislation, and absent a product that merits taking a position on for the time being, express the following principles/goals EWEB would wish to see upheld:

- 1) Consistency with EWEB Climate Change Policies and Community Values
- 2) No exclusions for any appropriate segment of the economy
- 3) Integrated equitably over as large of geographical region as possible
- 4) Compatible with federal approach in the future
- 5) Rational with regard to unique EWEB and NW qualities (hydroelectric)

SUPPORT: Oregon Sustainable Agriculture Resource Center (OSARC) (Priority: Medium)

OSARC would serve as a clearinghouse for education, information and technical support to be used by agricultural producers seeking to operate their farms and ranches with a focus on stewardship and sustainability, as they respond to new market demands which expected to evolve further into future market requirements.

OSARC would assist agricultural producers in their efforts to qualify under certification programs and reach new markets for sustainable products. Outcomes would include more economically and ecologically sustainable farms and ranches; a more resilient rural economy; and a healthier environment, with benefits to water quality, water temperature and fish and wildlife habitat.

EWEB is already one of 27 private and public partners to sign a Declaration of Cooperation to develop OSARC and pledged to staff technical groups on Soil and Water Conservation and Pest and Disease Management. Peripherally, EWEB will provide local assistance to the McKenzie Agriculture and Water Management System (MAWMS).

The failure of the 2007 Session to include an appropriation for this purpose can be chalked up as business that “slipped through the cracks”. This time around, OSARC stakeholders have formulated a heightened and more focused strategy to procure funding during the February Supplemental Session via actual “stand alone” legislation that specifically both authorizes and appropriates funding for OSARC. This is in contrast to the 2007 Session strategy to seek an earmark among numerous other items in the regular biennial appropriations bill for the Department of Agriculture.

SUPPORT: Water Conservation, Reuse and Storage Investment Fund (Priority: Medium)

HB 3203 was passed out of the House Energy and Water Committee and referred to the Joint Ways and Means Committee where it rested at the close of the 2007 Session. This bill, sometimes labeled “the Smart Planning Fund for Water,” would have provided a funding source for the “up-front” costs of water development projects. These costs could include funding such items as environmental assessments, needs analysis, and engineering feasibilities, among other things.

Originally, the bill included \$5 million from lottery-backed bonds to be issued for grants up to \$250,000, with 50% local match. Unfortunately, the committee amended the bill to remove the funding. In the 2007 Special Session, proponents are strategizing to ask again for lottery-backed bonds, while simultaneously presenting a fall-back position to merely memorialize the fund into state law and place \$1 in it, which would authorize proponents to seek federal earmarks and other types of allocations to be deposited into the account, as well as future state monies.

HB 3203 is a logical bookend to the Oregon Water Supply and Conservation Initiative, approved by the 2007 Legislative Session, which will quantify Oregon’s existing and future water supply needs and resources. Besides Water Watch, there were no other concerns or opposition raised to HB 3203 in the 2007 session, and the legislation had key support from League of Oregon Cities, the Special Districts Association of Oregon, the Oregon Farm Bureau, the Oregon Association of Nurseries, and the Oregon Water Resources Congress. HB 3203 is a bill that will get another push in 2008 in the hopes to overcome the inertia of the 2007 Session on this subject. The \$1 placeholder back-up plan could be a practical hedging strategy to secure at least the initial key increment towards full implementation at a later time.

RESOLUTION NO. 0803

EUGENE WATER & ELECTRIC BOARD BOARD APPOINTMENTS BOARD COMMITTEES, ADVISORY COMMITTEES AND OUTSIDE LIAISONS

WHEREAS, Board Policy GP12 provides for the use of committees, outside appointments and liaisons to staff work as a means of gathering and disseminating information, representing the Board and providing preliminary input to Board decisions; and

WHEREAS, Board Policy GP12 further states that all committees, outside appointments and liaisons be created by resolution and that all appointments to said committees, outside appointments and liaisons be made via resolution; and

WHEREAS, the Board met on January 2, 2008 and discussed potential appointments to current and existing committees, outside organizations and internal project teams; and

WHEREAS, the majority of the current and existing committees, outside appointments and liaisons were first established by resolution on October 3, 2006.

NOW, THEREFORE, BE IT RESOLVED that the Eugene Water & Electric Board appoints the stipulated individuals to those committees, appointments and liaisons for the year 2008 or as otherwise indicated.

Lane Council of Governments (LCOG) – Provides coordination among Lane County governmental agencies. Term of organization is ongoing, term of appointment is annual, and Patrick Lanning is primary appointee with John Brown as alternate.

Western Generation Agency (WGA) Board of Directors – Provides oversight to WGA's operations and management. Term of organization is ongoing, term of appointment is annual and Mel Menegat is primary appointee, with the Board also appointing EWEB employees Ken D. Beeson, and Cathy D. Bloom.

Northwest Energy Coalition (NVEC) – Promotes development of renewable energy and energy conservation, consumer protection, low-income energy assistance, and fish and wildlife restoration on the Columbia and Snake Rivers. Term of organization is ongoing. Term of appointment is annual and Ron Farmer is primary appointee with John Simpson as alternate.

McKenzie Watershed Management Council - Fosters better stewardship of the McKenzie Watershed resources through voluntary partnerships and collaboration. Term of organization is ongoing. Term of appointment is annual, and John Brown is primary appointee with John Simpson as alternate.

Santa Clara and River Road Water Districts – Liaison promoting relationship and understanding between special districts and EWEB. Due to the lack of activity, Commissioners eliminated this appointment. Commissioners reserve the option of reactivating this appointment at a later time.

Municipal Water Rights Issues – Liaison to staff work focused on protecting municipal water rights on the McKenzie River. Due to the lack of activity, Commissioners eliminated this appointment. Commissioners reserve the option of reactivating this appointment at a later time.

Roosevelt Building Advisory Team (BAT) – Liaison to staff project on design of new operations facilities at Roosevelt site. Term of organization is finite but undefined. Term of appointment is annual and John Brown and Mel Menegat are primary appointees.

Subcommittee for GM Performance & Compensation Evaluation – Two Commissioners, along with the Human Resources Manager and the General Manager, are formed for this subcommittee to evaluate the General Manager and recommend a salary adjustment (if merited) to the entire Board of Commissioners. Term of appointment is ongoing and John Simpson and Mel Menegat are primary appointees for the Board.

Committee for Recruitment of a new General Manager – Board committee to do advance work to facilitate the eventual recruitment of a new General Manager. Term of organization is temporary with expected dissolution by 12/31/2008. Term of appointment is annual and Ron Farmer and Patrick Lanning are primary appointees.

Changes in these assignments may be made at the direction of the Board.

Dated this January 15, 2008.

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

President

I, KRISTA K. HINCE, 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 January 15, 2008 Regular Board Meeting.

Assistant Secretary