

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
June 7, 2016
5:30 P.M.**

Commissioners Present: John Simpson, President; Steve Mital, Dick Helgeson and James Manning, Commissioners.

Absent: John Brown, Vice President.

Guests: Mel Damewood, Engineering Manager; Dave Churchman, Interim General Manager; Steve Newcomb, Environmental and Property Manager; Lance Robertson, Public Affairs Manager; Brad Taylor, Water Operations Manager; Matt Barton, Information Services Manager; Erin Erben, Strategic & Power Planning Manager; Karl Morgenstern, Drinking Water Source Protection Coordinator.

President Simpson convened the June 7, 2016, Regular Session at 5:30 p.m.

AGENDA CHECK

There were no changes to the agenda.

ITEMS FROM BOARD MEMBERS

- President Simpson mentioned he gave testimony to the Eugene City Council (ECC) in support of the Urban Renewal District. He also welcomed the new meeting minutes recorder.
- Commissioner Manning commented on the success of the annual Solar Challenge race at Cal Young Middle School. He added the ALICE training EWEB underwent was conducted professionally, and he recommended it to those EWEB employees who had yet to participate.
- Commissioner Helgeson offered that the EWEB's longstanding Education Coordinator, John Femal, would be retiring this month. He and the rest of the Board expressed their gratitude for Mr. Femal's service.
- President Simpson reported that former Secretary to the Board, Krista Hince, had recently passed away. He expressed his gratitude for her many years of service to the EWEB board.

PUBLIC INPUT

Lindsay Gupton, President of Pipeworks Software, spoke in favor of the Downtown Fiber Project (DFP). Mr. Gupton added that access to data is crucial to the gaming industry, and the DFP would be very beneficial not only to data access but also job creation through company growth.

Mark Davis, manager of the co-working space CodeChops, spoke in favor of the DFP. Mr. Davis said the more and faster Internet access available through the DFP will be immensely beneficial to freelancers, small businesses, and remote workers who rely on the Internet to generate an income.

Brittany Quick-Warner, of the Eugene Chamber of Commerce, spoke in favor of the DFP. Ms. Quick-Warner pointed out that the DFP would make it easier to bring in revenue from outside the area, and she also said the DFP would have small financial impact, but offer large benefits for the public.

Matt Sayre, Southern Willamette Valley Director of the Technology Association of Oregon (TAO), spoke in favor of the DFP. He posited that the implementation of the DFP would make Eugene one of the best places in the country for Internet access.

Board Discussion

- Commissioner Manning expressed disappointment that the areas of west Eugene and Bethel seem to have been left out of the DFP discussion.
- Commissioner Helgeson stated that he would like to see solid methodology incorporated in rate-setting. He also added that to the best of his knowledge, fiber does extend to the Bethel school district.
- President Simpson pledged his support for the DFP, stating that he is fully convinced of the positive economic impact the DFP will have.
- Commissioner Mital stated that the City of Eugene would be taking on the lion's share of the financial responsibility for the DFP. He also expressed concern with changing the rate structure before a cost study could be performed.

CONSENT CALENDAR

Minutes

1.
 - a. April 5, 2016 Executive Session
 - b. April 19, 2016 Strategic Planning Workshop
 - c. April 19, 2016 Regular Session
 - d. May 3, 2016 Executive Session
 - e. May 3, 2016 Regular Session
 - f. May 16, 2016 Executive Session
 - g. May 17, 2016 Executive Session
 - h. May 17, 2016 Regular Session

Contracts

2. Fisher Land Company – for construction of an emergency access road at Carmen-Smith. \$505,000. Generation, Contact Person is Mike McCann, 541-685-7379
3. Pacific Truck Center – for the purchase of a 12/15-yard Dump Bed Truck. \$166,000. Fleet, Contact Person is Mike McCann, 541-685-7379
4. USDA Forest Service, Willamette National Forest – for funding of Forest Protection Officer Patrols. \$280,000 (estimated over 5 years). Generation, Contact Person is Mike McCann, 541-685-7379

Intergovernmental Agreements

5. Clark Joint Processing Center (JPC) – for EWEB's lockbox remittance payment processing. \$235,000 Invoices over last approval plus estimated cost through December 2016. (\$935,000 resulting cumulative total). Customer Service, Contact Person is Mark Freeman, 541-685-7061.

Resolutions

6. Resolution No. 1610 – Board Policy SD8, Power Risk Management Policy Revision
7. Resolution No. 1617 – Requesting City of Eugene to Authorize the Issuance and Sale of Electric Utility System Revenue Refunding Bonds

Commissioner Mital moved to approve the consent calendar. The motion passed unanimously. (4-0, John Brown absent)

ITEMS REMOVED FROM CONSENT CALENDAR

There were no items removed from the Consent Calendar.

BOARD ACTION ITEMS

Nomination and Election of Vice President

President Simpson stated that he had recently been notified by Vice President John Brown that he would like to step down. He added that Commissioner Helgeson had expressed interest in the Vice President position.

President Simpson formally nominated Commissioner Helgeson for the position of Vice President. The nomination carried unanimously. (4-0, John Brown absent)

Downtown Fiber & Resolution 1616, Modification to Dark Fiber Pricing Schedule

Mel Damewood, EWEB Engineering Manager stated that Resolution No. 1616 would be tabled due to the necessity of more cost and pricing research, but would be before the Board for discussion again. Mr. Damewood presented the Board with a Power Point on downtown high speed fiber and dark fiber lease pricing. Mr. Damewood continued that he was seeking Board approval to enter into design and construction agreements for the DFP, and asking the Board for direction on creating a designated renewal and replacement fund for the DFP.

President Simpson asked if the DFP would bring the fiber network closer to EWEB's waterfront property.

Mr. Damewood said the network would be brought to about 5th and Pearl.

Commissioner Helgeson moved to approve entering into reimbursable design and construction agreements for the DFP. The motion passed unanimously. (4-0, John Brown absent)

Commissioner Mital expressed that he would like to see more specificity as far as funds allotted to the DFP.

Commissioner Helgeson asked for clarification on who owns the fiber once it is put in the ground, and Mr. Damewood answered that EWEB does.

Commissioner Mital asked if the DFP would increase property values, allowing the owners of said properties to raise their rents, how would those property owners be included in paying for the DFP. He also wondered why the Board wouldn't ask the City of Eugene to assume EWEB's financial portion of the DFP, so EWEB funds could be earmarked for emergencies, repairs, etcetera in the future.

Commissioner Helgeson expressed concern that by deferring action on the rate structure, EWEB was giving an impression of obstructionism in regards to the DFP. He urged the Board to move the DFP forward as expeditiously as possible.

Board Liaison for Alternative Water Supply (AWS)

Mr. Damewood expressed to the Board that it was a good time to bring a Board liaison for AWS projects.

Commissioner Mital stated that he was interested in being the Board liaison for AWS projects.

Commissioner Helgeson stated that the Board would need a resolution placed on the consent calendar, but there was no reason the Board couldn't vote on Commissioner Mital becoming Board liaison to AWS projects.

President Simpson nominated Commissioner Mital for AWS liaison pending a resolution placed on the consent calendar. The nomination carried unanimously. (4-0, John Brown absent)

GENERAL BUSINESS ITEMS

Watershed Protection Strategic Planning and 2017 Budget Direction

Mr. Newcomb asked the Board for direction in regards to budgeting for source protection. He presented the Board with a Power Point.

In the Power Point, Mr. Newcomb pointed to three different levels of investment available to the Board, and what each investment level would represent in the field.

Mr. Morgenstern asked the Board how much detail they would like to see in drawing up a 2017 budget.

Commissioner Mital asked if there was monitoring happening currently that could be taken advantage of.

Mr. Morgenstern said there was.

President Simpson read into record a letter written by Vice President John Brown in which Mr. Brown expressed support for the extended investment option put forth by Mr. Morgenstern in his presentation to the Board.

President Simpson announced a break at 7:22 p.m.

President Simpson reconvened the Regular Session at 7:38 p.m.

2016 Strategic Plan Update

Erin Erben discussed a Power Point Presentation on the 2016 Strategic Plan Update (SPU).

Commissioner Helgeson recommended that some of the language in the Power Point, and the SPU itself, be made more clear and direct. Commissioner Mital and President Simpson concurred.

Ms. Erben asked the Board if there was more work to be done on the SPU.

President Simpson stated he thought it was good for now, and the Board only desired to have a voice in the process. Commissioner Helgeson agreed.

Water & Electric Capital Improvement Plans (CIP) - Preliminary Draft

Mr. Damewood presented the Board with a Power Point on the Draft Water & Electric Capital Improvement Plans 2017 - 2026.

Commissioner Mital asked if there were any metrics in place for spending over the next 10 years.

Mr. Damewood said the metrics were in the works, and more information would be available by July 19.

President Simpson inquired into an amount set aside for intake work at Hayden Bridge.

Mr. Damewood answered that the amount was for disinfectant work.

Mr. Damewood remarked that the final CIPs would be presented to the Board prior to July 19.

Proposed Board Use of Email Policy

Mr. Barton asked the Board for its feedback on the Board Use of Email policy.

President Simpson said he supported the policy as written, but would need technical assistance to make the transition.

Commissioners Mital and Helgeson added that they too supported the policy.

President Simpson asked if all calls at EWEB were recorded, and Mr. Barton replied that they were not.

President Simpson wondered when the Board Use of Email policy would be brought before the Board.

Mr. Barton replied that he would not be at the July Board Meeting, but would present the policy to the Board in August.

Correspondence & Board Agendas

Mr. Churchman offered the Board a report on lead in the water supply. He said there was no lead detected anywhere in EWEB's system.

Mr. Robertson said that EWEB had sent out letters to local schools and daycare centers stating that there was no lead in EWEB's water supply system.

Mr. Taylor stated that EWEB has always stayed out in front of the lead in the water problem, and that EWEB has a role in the health of the public.

Mr. Churchman took an informal poll of the Board to determine interest in touring a nearby wind facility. The Board expressed interest to visit in the fall.

Board Wrap Up

President Simpson said that overall it was a good meeting and he thanked everyone for their attendance.

Commissioner Mital expressed concern with referring to Mr. Lawson as the GM, because there was not yet a signed contract making Mr. Lawson the GM officially.

President Simpson adjourned the Regular Session at 9:02 p.m.

Assistant Secretary

President