

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
June 6, 2017
5:30 P.M.**

Commissioners Present: Dick Helgeson, President; Sonya Carlson, Steve Mital, John Simpson, Commissioners

Absent: John Brown, Vice President

Others Present: Aaron Balmer, Acting General Accounting & Treasury Supervisor; Greg Brownell, Portfolio Management Supervisor; Mel Damewood, Chief Engineering & Operations Officer; Erin Erben, Chief Customer Officer; Sue Fahey, Chief Financial Officer; Sarah Gorsegner, Purchasing & Warehouse Supervisor; Kristen Langham, Communications Specialist; Frank Lawson, General Manager; Mike McCann, Electric & Generation Operations Manager; Will Price, Resource Analyst

President Helgeson called the Regular Session to order at 5:30 p.m.

Agenda Check

There were no changes to the Agenda

Items from Board Members and General Manager

- Commissioner Mital is looking forward to touring the Harvest Wind facility and Columbia Generating Station (CGS) plant with Commissioners Carlson and Simpson.
- Commissioner Simpson noted that the joint meeting with city councilors was cancelled due to their workload. Commissioner Simpson appreciates staff's offer to support commissioners meeting one on one with city councilors and plans to take up the offer.
- Commissioner Carlson attended the Lane County Resiliency Summit which focused on stress and the affects it has on people during crisis. The summit was a first step in looking at toxic stress and ways our community can address it. Ms. Carlson will also attend the Solar Challenge this Saturday.
- Mr. Lawson reported that EWEB was awarded a \$3.5M FEMA grant to aid with costs incurred during the ice storm, and had applied for an additional \$2 million for underground preventative maintenance needs. He reported that he had spoken with the Springfield Utility Board (SUB), and their General Manager, and there were two salient items that would be mutually beneficial for EWEB and SUB: 1) both utilities are very interested in a joint water treatment plant on the Willamette River, and 2) looking at resiliency from a more southern Willamette Valley perspective.

Public Input

Joe Moll of Eugene and the McKenzie River Trust (MRT), thanked EWEB and the Board for their efforts and grant matching for the long term stewardship and restoration of the McKenzie.

Jared Weybright of Eugene and the McKenzie Watershed Council (MWC), thanked EWEB for their long term commitment to and support of the MWC. He reported that the MWC planned to do all of their landowner outreach, and restoration work, through the Pure Water Partners program. Mr. Weybright also shared that he had recently taken on the role of Executive Director of the MWC.

Tim Whitley of Eugene thanked EWEB and the Board for their dedication to the 4J school district through the EWEB grant program. He announced that the annual Solar Challenge would be held at Cal Young on Saturday, June 10.

Commissioner Simpson thanked Mr. Moll for his work upriver. He congratulated Mr. Weybright on his recent appointment to Executive Director of the MWC.

Commissioner Mital offered that organizations such as the MRT, the MWC, and 4J were great examples of organizations that EWEB should be partnering with. He congratulated Mr. Weybright on his appointment to Executive Director of the MWC.

BOARD ACTION ITEMS

Approval of Consent Calendar

MINUTES

1. May 2, 2017 Regular Session

CONTRACTS

2. **CenturyLink** - for the purchase of Telephony Services. \$510,000 (over 3 years). Contact Person is Matt Barton 541-685-7109.
3. **Foster Pepper PLLC** - for Bond Counsel Services. \$500,000 (over 5 years). Contact Person is Sue Fahey 541-685-7688.
4. **General Pacific Inc.** - for the purchase of Duraline Futurepath HDPE Microduct. \$180,000 (over 5 years). Contact Person is Mel Damewood 541-685-7145.
5. **HD Fowler Company** - for Resilient Wedge Gate & Butterfly Valves. \$570,000 (over 5 years). Contact Person is Brad Taylor 541-685-7385.

6. **HDR Engineering, Inc.** - for Miscellaneous Hydraulic Modeling Services. \$500,000 (over 5 years). Contact Person is Rod Price 541-685-7122.

7. **S & C Electric Company** - for the purchase of Automatic Transfer Switches. \$300,000 (over 5 years). Contact Person is Mel Damewood 541-685-7145.

8. **Wildish Building Company** - for Construction Services for the replacement of Hoist Frames - Carmen Diversion. \$120,000. Contact Person is Mel Damewood 541-685-7145.

RESOLUTIONS

9. **Resolution No. 1706** - Update to EWEB Public Contracting Rule 2-0150 and Board Policy EL2, Purchasing Controls. Contact Person is Sue Fahey 541-685-7688.

10. **Resolution No. 1711** - Financial Policies Update. Contact Person is Sue Fahey 541-685-7688.

11. **Resolution No. 1713** - Revision to Customer Services Policy - All Utilities document. Contact Person is Erin Erben 541-685-7615.

Items Removed from Consent Calendar

Commissioner Mital wished to pull number 6 from the Consent Calendar.

Commissioner Simpson moved to approve the Consent Calendar without number 6. The motion carried unanimously 4:0.

Commissioner Mital was confused as to the language of contract with HDR Engineering; he stated that it read that HDR was the highest bidder, when they were in fact the only bidder.

Mr. Lawson stated there was extensive work done to ensure that any firm with which EWEB would be contracting with—in this case HDR Engineering—had rates commensurate with the going rates in that contractor's field.

Mr. Damewood clarified that, in the QBS process, according to State Law, EWEB (or any entity seeking contract work from an outside source) can only ask for prices and scope of work information from the highest, most qualified bidder.

Commissioner Mital moved to approve #6 on the Consent Calendar. The motion carried unanimously 4:0.

Commissioner Mital asked for clarification about the inclusion of settlement agreements in a list of exemptions within Resolution No. 1706.

Ms. Gorsegrner clarified that "settlement agreements" referred to any possible claims that could be made against EWEB by members of the public.

Ms. Fahey further clarified that settlement agreements have the potential to include any litigants' personal information, and that EWEB did not want to be responsible for releasing personal information.

Commissioner Mital asked if there was a threshold for settlements at which EWEB staff would be inclined to involve the Board of Commissioners, or was it totally at staff's discretion which to bring to the Board and which to not.

Ms. Fahey responded that Staff has discretion in the aforementioned, but if the Board would like to be consulted on any and all settlements, staff would be happy to oblige.

Commissioner Simpson moved to retract Board approval of Resolution No. 1706. The motion carried unanimously 4:0.

Resolution No. 1710, Highest and Best Use of Reserves

Mr. Balmer offered the Board a report on Resolution No. 1710.

Commissioner Mital expressed concern about previous rate increases supposedly to fund Alternative Water Source (AWS) projects; he said that EWEB has a commitment to apply capital from raised rates to what the utility had previously said the raised rates were to fund.

Ms. Fahey said that the balance of the AWS does include the 3% first approved by the Board. She added that the 3% is added every month, so it's not considered a transfer.

Commissioner Mital suggested going back to the audio of the Board meetings that took place in November and December of 2015, to further clarify the issue.

Commissioner Carlson asked if the Board were to approve Resolution No. 1706, would it positively affect EWEB's borrowing capabilities.

Ms. Fahey said it would.

Commissioner Mital moved to adopt Resolution No. 1710. The motion carried unanimously 4:0.

Resolution No. 1712, Bond Authorization

Ms. Fahey offered the Board a report on Resolution No. 1712

Commissioner Mital asked if there was a shelf life on the Public Notice.

Ms. Fahey answered there was not.

Commissioner Mital wondered if it was normal for the utility to issue a Public Notice for something that won't be implemented for years to come.

Ms. Fahey said that it was not unusual when it was one single project.

Commissioner Simpson asked if it would take a petition and/or a fixed number of people to file a complaint against the Resolution.

Ms. Fahey replied she believed it would take 5% of the city residents to file a complaint.

Commissioner Carlson asked why EWEB would ask for the full \$80 million, when only \$40 million would be released to the public this autumn.

Ms. Fahey responded that EWEB would likely need to issue another \$40 million in 2021.

Commissioner Mital wondered if by asking for the entire \$80 million up front would that limit the City of Eugene's ability to issue debts for future projects.

Ms. Fahey answered that it would not.

Commissioner Simpson moved to adopt Resolution No. 1712. The motion carried unanimously 4:0.

2017 Annual Integrated Electric Resource Plan (IERP) Update

Mr. Brownell offered the Board an update and Power Point presentation on the annual IERP.

Commissioner Carlson asked exactly how long on power are we?

Ms. Erben responded 100 MW.

Commissioner Carlson asked if the model presented took into account severities such as weather spikes.

Ms. Erben said it did.

Commissioner Carlson asked what would happen to EWEB's rates if the Bonneville Power Administration (BPA) was to join surrounding markets.

Ms. Erben said that—due to its complexity and denseness— that question would be better addressed on its own.

Commissioner Simpson asked if the Grid-Edge Project would feature energy storage, and if so, how much energy could be stored in kilowatt hours (kWh).

Ms. Erben said it did feature energy storage, and the amounts would vary.

President Helgeson wondered if EWEB had the modeling capability necessary to accurately forecast the utility's fiscal future.

Mr. Price said EWEB does indeed have that capability.

Break

President Helgeson called for a break at 7:14 p.m.

Quarterly Customer Satisfaction & Engagement Dashboard

Ms. Langham offered the Board a report and Power Point presentation on the Customer Satisfaction & Engagement Dashboard.

Commissioner Simpson asked if EWEB ever made contractor recommendations to its customers.

Ms. Erben said no.

Commissioner Simpson asked if a carbon tax would raise retail rates for natural gas?

Ms. Erben said it would.

Commissioner Mital observed that where there exists road construction, there also exists an opportunity to install natural gas infrastructure, so it makes sense for natural gas companies to put door hangers on homes adjacent to said construction. He offered that EWEB also put door hangers on these homes; he opined that EWEB should not be afraid of competition.

Commissioner Mital asked about survey response rates.

Ms. Langham said that response rates were originally included in the report, but were omitted. She said she could follow up later with the aforementioned response rates.

Strategic Plan Update

Mr. Lawson offered the Board an update and Power Point Presentation on the Strategic Plan Update.

President Helgeson was concerned about the lack of emphasis on exemplary customer service in EWEB's Value Statement.

Commissioner Carlson suggested that Market Share should have its own section in the Strategic Plan.

Correspondence & Board Agendas

Mr. Lawson offered the Board a report on Correspondence and Board Agendas.

Commissioner Mital announced that he would like to queue up a discussion on EWEB's goals surrounding community investment.

Board Wrap Up

President Helgeson said that he was very pleased with the meeting, and the sitting Board itself.

Adjournment

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

Assistant Secretary

President