

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

Commissioners Present: Dick Helgeson, President; Sonya Carlson (via teleconference), Steve Mital, John Simpson, Commissioners

Absent: John Brown, Vice President

Others Present: Sarah Creighton, Enterprise Risk Management Supervisor; Sue Fahey, Chief Financial Officer; Jason Heuser, Governmental Affairs Coordinator; Lena Kostopulos, Chief Human Resources Officer; Frank Lawson, General Manager; Mike McCann, Interim Chief Energy Officer

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

Agenda Check

Mr. Lawson asked for Board leniency on the amount of time allotted for Mr. Heuser's report and presentation.

Items from Board Members and General Manager

- Commissioner Carlson said that a constituent expressed concern to her as an EWEB Board Member, over a family of five—with a medical condition—having their power turned off right before a very hot weekend. She urged her colleagues to examine policy surrounding interrupting electric service to rate payers.
- Commissioner Simpson offered that he agreed with the policy examination idea put forth by Commissioner Carlson.
- President Helgeson agreed that Board review of policy was a good idea.
- Mr. Lawson reported that the Carmen Smith bond issuance in the amount of \$34 million would happen next week.
- Mr. McCann offered the Board an update on upriver operations in the midst of the forest fires currently burning.

Public Input

Webb Sussman of Eugene stated that, although there were a few latency issues, he was happy with EWEB's newly updated website. Mr. Sussman asked the Board how the utility's desire to diversify their power would factor into future decision-making. He also stated that the City of Eugene had several sites in the metro area that are suitable for large solar arrays. Finally, Mr. Sussman offered gratitude to the EWEB work crews for working in the smoke, although the members of the crew he saw were not wearing masks or respirators.

Keith Kueny of the Community Action Partnership of Oregon (CAPO) urged the Board to keep low-income programs intact.

Linda Heyl of Eugene urged EWEB to move toward carbon-free power supply.

Laurie Powell of Eugene urged EWEB to move toward carbon-free power supply.

Cynthia Kōkis of Eugene urged EWEB to move toward carbon-free power supply.

Debra McGee of Eugene urged EWEB to move toward carbon-free power supply. She posited that EWEB should not be selling wind energy.

Sean Boles of Eugene thought it would be a good idea to decentralize secondary energy sources, such as community solar energy projects. He added that if EWEB was going to sell off its wind farms, they should do so in a way that will give the utility the opportunity to buy them back in the future.

Sandra Bishop of Eugene reported that she had recently taken a tour of the Hayden Bridge facility. She said that there were many seismic measures being taken at the plant. She said the flume that ran through the building had been decommissioned in favor of seismic integrity.

Commissioner Mital stated the Board had recently passed a Strategic Plan including language which ensures the future of EWEB's low-income relief programs. He said that to his knowledge, EWEB was a leader in low-income support programs; he asked his colleagues for their support in investigating whether EWEB is in fact a leader in low-income support programs.

Commissioner Simpson offered the opportunity for a roundtable discussion about EWEB's website with Mr. Sussman. He continued that he really appreciated the testimony; he stressed how important community input is to the utility's smooth operations. Commissioner Simpson concluded that the Board and the utility strived to remain in the middle of the pack as far as utility expenses, with respect to comparator utilities.

President Helgeson clarified that the Board had not decided to sell the wind projects, but had only declared the projects in question as surplus. He concluded that the utility should not take any short term actions that would adversely affect the future options of the utility.

Commissioner Carlson was sympathetic to those members of the public who spoke urging EWEB to move toward carbon-free energy. She added that plans should be made to facilitate more electric vehicles in the area. Commissioner Carlson asserted that EWEB crew members working in the smoke should be wearing respiratory protection.

Mr. Lawson reported that fieldwork had been curtailed as much as possible due to the hazardous air quality conditions. He said that the big decisions the Board will have to make in the upcoming decade involve resources, particularly generating resources. He said the utility's goal was to synchronize supply and demand.

President Helgeson expressed concern about opportunities to sell surplus energy expiring.

BOARD ACTION ITEMS

Approval of Consent Calendar

MINUTES

1. August 1, 2017 Regular Session

CONTRACTS

2. Bonneville Power Administration (BPA) - for the interconnection of EWEB's Holden Creek Substation. \$400,000.
Contact Person is Rod Price 541-685-7122

3. Cayenta - for the purchase and implementation of a Customer Information System (CIS). \$6,400,000 (includes maintenance and support through June 2024).
Contact Person is Matt Barton 541-685-7109

RESOLUTIONS

4. Resolution No. 1717 - Update to Board Policy SD1, Mission, Vision, Values & Legacy.
Contact Person is Frank Lawson 541-685-7621

5. Resolution No. 1724 - Appointment of Supplemental Retirement Plan Committee Replacement Members.
Contact Person is Sue Fahey 541-685-7688

Commissioner Simpson moved to approve the Consent Calendar. The motion carried unanimously 4:0.

Items Removed From Consent Calendar

There were no items removed from the Consent Calendar.

GENERAL BUSINESS ITEMS

Proposed Update to Board Policy GP6, Rules of Conduct

Ms. Fahey and Ms. Creighton offered the Board a report on the proposed update to Board Policy GP6.

President Helgeson stated that he found the proposed language to be consistent not only with the requirements of the federal agencies from which the utility sometimes receives grants, but also with the language of ethics rules for public officials.

2017 State Legislative Session Summary & Carbon Pricing Update

Mr. Heuser offered the Board an overview and summary of the latest legislative session.

President Helgeson said that he thought EWEB's concerns were reasonable, yet there had been very little responsiveness from the leadership of the Oregon Department of Energy (ODOE).

Mr. Heuser offered that sweeping changes do not come naturally nor quickly to large state bureaucracy.

Commissioner Simpson asked for clarification on Qualification Based Selection (QBS).

Mr. Heuser clarified that with QBS, the utility would not be allowed to look at costs on the front end of the process. He said that he had learned which state legislators would be more open to working with the utility on the advent of QBS.

Commissioner Carlson expressed disappointment that QBS did not pass. She added that she would like to see more about the electric vehicle rebates in EWEB's marketing materials.

Commissioner Mital wondered if it would be a good idea to have some sort of check-in during the middle of a legislative session.

Mr. Lawson said he would get together with Mr. Heuser to try and determine the best course of action to address Commissioner Mital's above concern.

Mr. Heuser offered the Board an update and Power Point Presentation on carbon pricing.

Commissioner Carlson was interested in efforts to better educate the public about carbon pricing.

Mr. Lawson said he was excited to find ways of disseminating information about carbon pricing to the public.

Commissioner Carlson wondered if there was a way to let rate payers know they themselves could advocate for renewable energy at the State level.

Mr. Lawson agreed customer advocacy was important, but not all customers would want to advocate for renewable energy. He recommended seeking direction from the Board as to what exactly the public message surrounding renewable energy advocacy would be.

Correspondence and Board Agendas

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

Commissioner Mital asked if there was wording in the healthcare contract that would allow for a rebate if healthcare services rendered turned out to be below the insurance company's target as per paid coverage.

Ms. Kostopulos stated that there was previously a rebate in place in the healthcare contract, but now any amount that would have been rebated would be rolled back into the health coverage plan for EWEB.

Board Wrap Up

President Helgeson said there were a couple of follow-ups for staff, namely, data for funding low-income programs, and looking at Customer Service policy elements.

Commissioner Carlson offered that she would like to see all questions posited to staff by Board members be made a matter of public record, in order to promote transparency.

Mr. Lawson said he and staff would be looking into the marketing materials for electric vehicle incentives, and legislative controls.

President Helgeson said he would like to see a strategy in place which would produce a carbon-free portfolio.

President Simpson agreed with President Helgeson, however, he wondered if 100% carbon-free energy was even possible at this time.

Commissioner Mital expressed interest in further educating the public in the short term vis-à-vis carbon reduction.

President Simpson clarified that he was not supporting the purchase of energy credits or any other mechanism to reach 100% carbon-free status, but rather he just wanted to know how much it would cost.

Mr. Lawson said there were four distinct pieces to the resource decisions conversation:

- The building of a mix of resources, and the profile of how they produce.
- Consumption patterns.
- The marketplace.
- Regulation and legislation.

Adjournment

President Helgeson adjourned the Regular Session at 8:06 p.m.

Assistant Secretary

President