

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 E 4th AVENUE
January 7, 2020
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/2019-board-agendas-and-minutes>.

Commissioners Present: Sonya Carlson, President; Steve Mital, Vice President; John Brown, Dick Helgeson, Mindy Schlossberg, Commissioners

Others Present: Frank Lawson, General Manager; Jennifer Connors, Communications Specialist; Laura Farthing, Senior Engineer; Karen Kelley, Water Operations Manager; Karl Morgenstern, Environmental, Water Quality and Source Protection Supervisor; Wally McCullough, Water Engineering Supervisor; Nick Nevins, Engineering Technician

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

Agenda Check

There were no changes or additions to the agenda.

Items from Commissioners and General Manager

Commissioner Schlossberg reported that she, Vice President Mital, and General Manager Lawson recently met with representatives from the City of Eugene for the second time to discuss local climate goals. She said there was another such meeting scheduled in three months. Finally, Commissioner Schlossberg said she really appreciated the monthly update newsletters from EWEB.

Commissioner Helgeson announced that John Barofsky had filed to run for his seat on the EWEB Board of Commissioners, which Commissioner Helgeson would be vacating in approximately one year. He continued that Mr. Barofsky was a local area businessperson who had a lot of experience working with the Eugene Chamber of Commerce and the City of Eugene itself.

President Carlson offered that she had attended the Lane Council of Governments (LCOG) meeting in December of 2019, and, from that meeting, she brought the Comprehensive Annual Financial Report to pass around to her fellow EWEB Board members.

Commissioner Brown suggested a potential topic of conversation for a future meeting with the City of Eugene. He said research had pointed him to the fact that there were

more coal plants under construction in Asia, than currently exist in the United States. He said he could not understand why we continued to purchase items that feed the expansion of the coal industry. He continued that he had received and forwarded an email he received from the McKenzie River Interpretive Center (MRIC), in which that institution seemed to want to open a dialogue with EWEB about how the utility could be involved in the MRIC; Commissioner Brown said perhaps they wanted to get on an EWEB Board meeting agenda in the near future. Finally, he praised the EWEB crews at work currently in the downtown area. Commissioner Brown said the EWEB crews (compared to the crew[s] of telecommunications companies also currently working in downtown) were doing a fantastic job with traffic control, environmental protection, etc.

Mr. Lawson reported Carmen-Smith had come back online approximately one month ago, and there was a problem with one of the transformers. He said the transformer was of a particular size that was difficult to acquire, but Duke Energy in North Carolina was able to get one and send it out west to EWEB, and it would be installed, and the Carmen-Smith facility back up and running, by the week ending January 10, 2020. Mr. Lawson announced that EWEB Water Operations Manager Karen Kelley was elected by the American Water Works Association (AWWA) to the position of Oregon-Idaho Regional Trustee. Finally, Mr. Lawson recognized Jennifer Connors and Rachel Chilton for their work on the EWEB newsletter.

Innovation and Talent Award

Mr. Nevins announced that EWEB had received an Innovation and Talent Award from the Register Guard for its installation of the Downtown Fiber Network, in which 82 buildings downtown have been hooked up to the Downtown Fiber Network between March of 2017 and October 2019, using existing EWEB infrastructure.

Vice President Mital posited that perhaps the best time to hear a presentation from the MRIC was during the next EWEB upriver meeting scheduled for spring of 2020.

Public Input

Anne Fifield, City of Eugene Economic Strategies Manager, praised EWEB for their receipt of the Innovation and Talent Award. She thanked the EWEB Board for their partnership with City of Eugene on the Downtown Fiber Network project, and asserted the project was largely driven by EWEB staff. Ms. Fifield said that, to her knowledge, no other municipality had ever used existing infrastructure to install and convey a fiber optic network the way EWEB had.

Approval of Consent Calendar

MINUTES

1.a. December 3, 2019 Executive Session

b. December 3, 2019 Regular Session

RATIFICATION OF BOARD APPOINTED CONSULTANTS

- 2.a. General Counsel - Luvaas Cobb Law Office (Eric DeFreest Primary Contact)**
- b. Real Estate Legal Counsel - Arnold Gallagher P.C.**
- c. Real Estate Legal Counsel - Watkinson Laird Rubenstein P.C.**

CONTRACTS

- 3. Cable Huston, LLP** - for special counsel services. \$3,200,000 (over 5 years).
- 4. CH2M Hill Engineers Inc. dba Jacobs** - for Amendment 1 to Task Order U-3, for engineering services for the Carmen-Smith upstream fish passage facilities at Trail Bridge powerhouse. \$61,778 (Resulting cumulative task order total \$1,605,959)
- 5. CH2M Hill Engineers Inc. dba Jacobs** - for Amendment 1 to Task Order D-1, for engineering services for the Carmen-Smith downstream fish passage facilities at Trail Bridge powerhouse. \$332,178 (Resulting cumulative task order total \$1,938,137).
- 6. Halvorson Contracting** - for the Roosevelt Operations Center consolidation and interior remodel construction services. \$792,000 (Resulting cumulative total \$3,562,000).
- 7. SHI International Corp.** - for the use of a cooperative contract for Microsoft software maintenance and support. \$2,000,000 (over 3 years).
- 8. Riverbend Materials** - for ¾ minus gravel. \$250,000 (over 5 years).

MEMORANDUM OF UNDERSTANDING

- 9. General Pacific Inc.** - for the sale of discounted heat pump water heaters to EWEB customers. \$250,000 (Resulting cumulative total \$400,000 through December 31, 2020).

RESOLUTIONS

- 10. Resolution No. 2002** - Requesting the City of Eugene to authorize the issuance and sale of Electric Utility system revenue refunding bonds in the aggregate principal amount of not to exceed \$36,880,000 for the purpose of refunding certain outstanding Electric Utility system bonds and providing for related matters.
- 11. Resolution No. 2003** - Requesting the City of Eugene to authorize the issuance and sale of Water Utility system revenue and refunding bonds in the aggregate principal amount of not to exceed \$36,860,000 for the purpose of refunding certain outstanding Water Utility system bonds and financing improvements to the Water Utility system and providing for related matters.

12. Resolution No. 2004 - Add Downtown Network Service Connection to Customer Service Policy.

13. Resolution No. 2005 - Annual Appointment of Supplemental Retirement Plan Committee.

14. Resolution No. 2006 - Revisions to EWEB Public Contracting Rules.

15. Resolution No. 2007 - Declaring surplus for certain real property no longer needed for utility purposes.

16. Resolution No. 2008 - Authorize General Manager to negotiate and close a transaction related to real property.

Commissioner Helgeson moved to approve the Consent Calendar without Item 2. The motion passed unanimously 5:0

Items removed from the Consent Calendar

Commissioner Brown pulled Consent Calendar Item 2, which dealt with the ratification of Board-appointed consultants. He said the background material Board members were given prior to the meeting mentioned two different law firms being ratified for General Counsel, but on the agenda itself, it only lists one—Luvaas Cobb. Commissioner Brown wanted to make sure it was in the record that the Board is also ratifying the ability to negotiate a contract with the law firm of Harrang Long Gary Rudnick, as an alternative General Counsel.

Commissioner Helgeson expressed hesitation toward making Harrang Long EWEB's *primary* General Counsel, but he offered he had worked with them in the past, and it would be good for EWEB to have them ratified as a possibility for General Counsel.

Commissioner Brown said he appreciated the diversity two possible General Counsels offered EWEB.

Commissioner Helgeson felt it was odd to list two parties as General Counsel, but he supported Commissioner Brown's original intent on the matter.

Commissioner Brown moved to amend Item 2 in the Consent Calendar to include the law firm of Harrang Long Gary Rudnick under the title General Counsel. The motion passed 4:1, with Commissioner Helgeson voting against.

Commissioner Brown moved to approve Item 2 on the Consent Calendar. The motion passed unanimously 5:0

2020 Election of Board Officers

Commissioner Brown moved to appoint Steve Mital as Board President and Mindy Schlossberg as Board Vice President. The motion passed unanimously 5:0

2020 Appointment of Board Liaison Assignments & Committees

President Mital congratulated Commissioner Carlson, and thanked her, for her carrying out the duties of Board President this past year.

Board Liaison Assignments & Committees

- **Lane Council of Governments (LCOG)** – This role is currently filled by Sonya Carlson. President Mital nominated Sonya Carlson to continue in the role of LCOG liaison, without objection.
- **McKenzie Watershed Council** – This role is currently filled by staff; the Board did not discuss any changes to the assignment.
- **Other Post Employment Benefits (OPEB)** – This role is currently filled by John Brown. President Mital nominated John Brown to continue in the role of OPEB Liaison, without objection.
- **Northwest Public Power Association (NWPPA)** – This role is currently filled by Dick Helgeson. Commissioner Helgeson said he had not heard or seen a lot of interest in this role from his colleagues on the Board, so he had agreed to remain in the role. President Mital nominated Dick Helgeson to continue in the role of NWPPA Liaison through 2020.
- **Springfield Utility Board (SUB)** – Commissioner Brown said this was an ad-hoc position, and he would be willing to remain the liaison to SUB. Commissioner Helgeson nominated John Brown to continue in the role of SUB Liaison, without objection.
- **Lane Electric Cooperative** – This role is currently filled by Steve Mital. Commissioner Carlson nominated Steve Mital to continue in the role of the Lane Electric Cooperative Liaison, without objection.
- **City of Eugene for Climate Related Matters** – This role is currently filled by Mindy Schlossberg. Commissioner Helgeson nominated Mindy Schlossberg to continue in the role of City of Eugene Liaison, without objection.

Base Level Storage Tank Upgrades

Mr. McCullough, Ms. Kelley, Ms. Connors, and Ms. Farthing offered the Board a report and PowerPoint presentation on base level storage tank upgrades.

Commissioner Helgeson said he appreciated the presentation and the proactivity of staff on this issue. He also posited that Eugene City Council should be briefed on the projects as they move forward.

Commissioner Brown asked if the project on College Hill would include blasting, and if so, were there measures being taken as far as vibrations, and possible impact of neighboring properties.

Ms. Farthing replied that before blasting began, there would, as part of the contracts, have to be pre-surveys of all the structures in the vicinity, and vibration monitoring once the projects have begun. She added that it would all be captured on video, to provide future photographic evidence.

Commissioner Brown inquired about the 40th Ave. site. Because it is located within the South Hills Study area and requires Planned Unit Development (PUD) approval, he wondered if EWEB's work could be stopped, or if they could only add additional criteria to the project itself.

Ms. Farthing replied that this project has the same criteria as every PUD, she offered there was the possibility that a Neighborhood Group could appeal the hearing Official's decision, and it could end up at the Land Use Board of Appeals (LUBA) and it is her understanding LUBA has a Safety and Health clause that would be applicable to the approval.

Vice President Schlossberg thanked staff for their public outreach on these projects, as it fostered a culture of transparency by the utility.

Commissioner Carlson asked about the need for increased security on the College Hill site; she wondered how much that extra security would affect public access to the area.

Ms. Kelley answered there was fencing that would be installed to prevent people walking on the roof of the reservoir, and to prevent people from walking up next to the reservoir, but there still would be public access around that aforementioned perimeter.

President Mital, referencing Slide 11 in the presentation, said he disagreed with the characterization of Landscape Design and Public Amenities as components of the project(s) with high opportunities for neighbors' input.

2020 Organizational Goals and Performance Measures

Mr. Lawson offered the Board a report and PowerPoint presentation on 2020 organizational goals and performance measures.

President Mital asked if this was a new process.

Mr. Lawson said the utility did go through this process last year in February-March, but this was the first time the utility had entered into a year with these goals laid out at the outset.

Commissioner Brown asked about Goal #7, which reads: "Work with EWEB Commissioners, FERC, and the McKenzie Valley community to develop a TBL-based plan for the lower McKenzie River Hydroelectric Projects by the end of 2020." He wondered if the term "plan" included a TBL analysis of shutting down Walterville and/or Leaburg.

Mr. Lawson said yes.

President Mital was inclined to delay Board action on this agenda item due to the newness of it, and the nuance involved.

Commissioner Helgeson offered that he would like to work out at least a sense of when this would be approved by the Board.

Mr. Lawson said it was likely this would come back as an item on the Consent Calendar in the near future.

Correspondence & Board Agendas

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

Commissioner Brown said he did not understand why the Board was even debating the \$24,000 water monitoring project above EWEB's water intake.

Mr. Lawson said it was the utility's intent to monitor the water in that area.

Commissioner Carlson asserted that EWEB should not always be on the hook for monitoring the water in that area; she said it was unacceptable to her for entities to pollute that waterway, then shirk the responsibility of paying for the area's monitoring.

Mr. Morgenstern said EWEB had been actively monitoring Keizer Slough for quite some time. He also mentioned that IP had been brought into EWEB's Watershed Emergency Response System, so they can notify EWEB quickly if there is an issue in that waterway.

Commissioner Brown said he wanted to be apprised whenever Mr. Morgenstern ran out of budget.

Commissioner Carlson wondered if steps could be taken to give EWEB more local control of waterways, etc. so polluters could be held accountable in the future.

Mr. Lawson said EWEB was not in a position to enforce laws.

Adjourn

President Carlson adjourned the Regular Session at 7:55 p.m.

Assistant Secretary

President