

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 E 4th AVENUE
February 4, 2020
5:30 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/2020-board-agendas-and-minutes>

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

Others Present: Frank Lawson, General Manager; Susan Ackerman, Chief Energy Officer; Megan Capper, Power Planning Supervisor; Jen Connors, Communications Specialist; Sarah Gorsegner, Purchasing & Warehouse Supervisor; Jason Heuser [via teleconference], Public Policy and Government Affairs Program Manager; Karl Morgenstern, Environmental Supervisor

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

Agenda Check

Mr. Lawson announced that Mr. Heuser would be joining the meeting, and giving his presentation on agenda item 7, Legislative Update and Board Position – Action, via teleconference.

Items from Commissioners and General Manager

Commissioner Brown reported he had recently attended a public meeting with the residents of the College Hill area of Eugene, and he felt the meeting was a success. He said that, naturally, the College Hill residents had concerns about the upcoming reservoir construction project(s), but EWEB staff did a great job explaining the work, and Commissioner Brown thought it was very important to open the dialogue with the residents at this time.

Commissioner Carlson announced she had recently attended the 66th Annual Celebration of Business in Eugene, and she would be attending the Annual Black History Month Dinner, the local NAACP Dinner, and the LCOG Dinner later in February.

President Mital offered he was attending the American Public Power Association (APPA) Legislative Rally in Washington D.C. at the end of the month, and as he would

be representing the EWEB Board in an official capacity, he would report back to the Board in March.

Commissioner Schlossberg reported that she recently attended the Wayne Morse resiliency and disaster preparedness event, and she also attended the Eugene City Council Work Session with Commissioner Brown, at which Mr. Lawson presented and discussed bond issues. Commissioner Schlossberg said it would be a good idea for EWEB to provide the Council with as much information about the utility as possible, so the Councilors would all be as familiar with EWEB and its scope; she asked for and received Board consensus on this suggestion. Mr. Lawson said he would reach out to Eugene City Council leadership as soon as possible.

Mr. Lawson suggested the Board President deliver a State of the Utility address specifically for, and to, the Eugene City Council. He said the time for such an address might be limited, but it would be a great way for EWEB to bring the Council up to speed on where the utility is with its strategic and operational objectives. Mr. Lawson thanked EWEB staff for their participation at the recent Lane County Home & Garden Show. Finally, Mr. Lawson announced there was a public meeting to be held on Wednesday, February 5, at 5:30 p.m. at which there would be a presentation and Q&A about where the utility was as far as regional energy priorities and issues surrounding carbon.

Public Input

Jenny Bennett, of Eugene, and representing Summit Bank, thanked the EWEB Board for keeping some of EWEB's deposit dollars local, at Summit Bank. She said that, thanks to an initiative undertaken by the EWEB Board a couple of years ago, Summit now has \$3 million of EWEB's dollars on deposit.

Tana Shepard of Eugene, and representing the 4J school district, said there were 30-40 4J teachers interested in coming together to work on a scope and sequence for climate education. She said that, with the EWEB grant renewal, the school district was allowing her to head up a climate action team comprised of adults and students to assess where 4J is at with its sustainable practices. Lastly, Ms. Shepard said the 23rd annual Solar Challenge was set for Saturday May 30, 2020.

Linda Heyl of Eugene announced the Department of State Lands had declined the Canadian corporation Pembina Pipeline Corp. a fifth extension for the proposed Jordan Cove Energy Project's Removal/Fill Permit. She said that, subsequently, Pembina had withdrawn the permit request. Ms. Heyl thanked Mr. Lawson for reaching out to 350 Eugene, and for scheduling a public forum about Eugene's energy future. Lastly, she thanked the EWEB Board and EWEB staff for the 2021 IERP scope priorities.

Approval of Consent Calendar

MINUTES

- 1. a. January 7, 2020 Executive Session**
- b. January 7, 2020 Regular Session**

CONTRACTS

- 2. American Governor Company** - for construction services at the Carmen Power Plant. \$662,000.
- 3. Cornforth Consultants, Inc.** - for a risk informed alternatives analysis. \$1,000,000.
- 4. Elavon, Inc.** - for merchant card services. \$4.4 million (over 5 years).
- 5. Pacific Excavation** - for the Hayden Bridge lab and backup services building. \$2,418,000.
- 6. Trout Mountain Forestry** - for forest management services. \$145,000 (over 5 years).

RESOLUTIONS

- 7. Resolution No. 2009** - Water Supplemental Bond Resolution.
- 8. Resolution No. 2010** - Electric Supplemental Bond Resolution.
- 9. Resolution No. 2011** - Board Appointments, Committees and Outside Liaisons.

OTHER

- 10. 2020 Eugene/Springfield Natural Hazard Mitigation Plan**
- 11. 2020 Organizational Goals & Performance Measures**

President Mital moved to approve the Consent Calendar without Item 6. The motion passed unanimously 5:0

Items removed from the Consent Calendar

Commissioner Brown pulled Consent Calendar Item 6: Trout Mountain Forestry – for forest management services. Commissioner Brown expressed concern about EWEB paying for a timber management plan on timber the utility does not own.

Mr. Morgenstern offered that it was not so much about planning for that timber, as it was simply bringing in data from the property in question. He added that EWEB's prerogative was to purchase that timber in the future, if the utility so chose.

Commissioner Brown wondered what kind of percentage Trout Mountain received from the sale of this timber, and how that dollar amount would be factored into the contract in question.

Mr. Morgenstern replied that Trout Mountain was the contractor with the lowest commission in Request for Proposal (RFP).

Ms. Gorsegrner added that when a similar contract was brought before the Board five years ago, the expected total value of the contract did not include the commission in the expected total value of the contract. She clarified that Trout Mountain's commission was included in the \$145,000 for the contract itself.

Commissioner Brown moved to approve Consent Calendar Item 6. The motion passed unanimously 5:0

State of the Utility Address and 2020 Goals Update

President Mital read into record the 2020 State of the Utility Address.

Mr. Lawson offered the Board an update and PowerPoint presentation on EWEB's 2020 goals.

Legislative Update and Board Position – Action

Mr. Heuser offered the Board a legislative update.

Commissioner Carlson said she had heard that the new carbon cap legislation in the works in Salem would not allow Oregon to link up with Washington and California. She asked if that was true.

Mr. Heuser said the only thing like that in the actual proposed language is where it says “programs must be of equivalent stringency.”

Vice President Schlossberg wondered how the decision for EWEB to support or oppose a piece of state legislation was arrived at.

President Mital said that the official EWEB position on any piece of state legislation was decided by staff recommendation, then by a Board vote on whether to take staff's advice to support or oppose any given piece of legislation.

Commissioner Helgeson asserted that EWEB should oppose HB 4043—the bill dealing with what materials must be used for piping—because, to him, he said, any piece of legislation which favors a particular industry, or is sponsored by a particular industry in order to seek advantages to the use of that industry's product(s), is malformed legislation. On electrification, Commissioner Helgeson reminded the Board they were not a funding source for any and all good things.

President Mital asked—in regards to HB 4315—if it was 100% of revenue from the clean fuels program that was mandated to be spent on EV charging, or if EWEB had discretion on that spending.

Mr. Heuser replied the mandate was for 100% of the aforementioned revenues to be spent on electrification, but the language of said mandate was flexible when it came to the specific uses of those funds.

President Mital clarified that the only State legislation the Board was voting on at this time, was HB 4043, or the “piping materials” bill.

Mr. Heuser said that was correct, an official EWEB position on the other bills at issue had already been taken.

President Mital moved to take a position against LC 199 HB 4043. The motion passed unanimously 5:0

2021 Integrated Resource Plan Scope & Scenarios

Ms. Ackerman, Ms. Connors, and Ms. Capper offered the Board a report and PowerPoint presentation on the 2021 Integrated Resource Plan (IRP) scope and scenarios.

Commissioner Carlson offered that since the finalization of this IRP was set in Q1-Q4 of 2021, there would be significant turnover/changes to the makeup of the Board itself between now and then, which may cause difficulties.

Commissioner Brown asked how Leaburg and Walterville would be modeled into EWEB's portfolio in the future.

Ms. Capper offered that any current information staff obtains goes into modeling, and that would help staff determine the future of EWEB's portfolio as far as Leaburg and Walterville were concerned.

Commissioner Brown said EWEB in the past had budgeted/modeled for 85% water, and he wondered if there would be a return to that.

Ms. Capper said she believed the utility would have to return to that.

President Mital expressed concern that, with the advent of more and more EWEB ratepayers switching to heat pumps, the utility would get comfortable with a certain load profile that can change very rapidly with regional temperature changes. He asserted this should be included in any future modeling work.

Ms. Capper said that heat pumps would be incorporated into modeling as EWEB takes its load up and down.

President Mital posited that EWEB's current hedging strategy should be included in this 2-3-year cycle, instead of waiting until 2024.

Ms. Ackerman returned that EWEB did not have a lot of information currently on obligations, and she opined it was a bit premature to try to anticipate a resource adequacy program for the region. Ms. Ackerman said President Mital's comment on EWEB's hedging practices could be taken up in the utility's traditional risk management procedures.

Commissioner Helgeson wondered what EWEB's context would look like when other entities in the region begin to address the carbon in their portfolios.

Ms. Ackerman returned that EWEB was taking a regional look at carbon mitigation, including all the carbon measures currently existing.

President Mital asked if there existed a scenario within this cycle's planning in which EWEB could find itself short of power.

Ms. Ackerman offered that generally, EWEB was resource-sufficient currently, and that was not likely to change, but EWEB did have to go into the market to buy power from time to time to cover peak needs, and/or to cover needs brought about by an extreme weather event.

Break

President Mital called for a short break at 7:07 p.m. The meeting was reconvened at 7:12 p.m.

2021 Integrated Resource Plan Engagement Plan

Ms. Ackerman, Ms. Connors, and Ms. Capper offered the Board a report and Power Point presentation on the 2021 Integrated Resource Plan (IRP) Engagement Plan

Commissioner Carlson asked what kind of information did staff envision the Board would give them in the April 2020 Board Workshop that they have not given them already.

Ms. Capper said staff was in the process of planning the Workshop, and there would be background information provided to the Board to help them answer the questions staff will have prepared for that Workshop.

Ms. Connors said the Board would be receiving a lot of materials in the upcoming weeks to help tee up the discussion at the April Board Workshop.

Vice President Schlossberg stressed the importance of mindfulness and awareness when sharing this information with the community.

Commissioner Brown wondered when and where on the prescribed timeline for the IRP would Board members reach out to the community about the project.

Ms. Connors offered that staff could and would support Board members any time they wished to engage the public about this topic. She added that they would bring the dashboard with its dials back to the Board in April, and the aforementioned background information would help the Board to determine the range of sensitivity on the dials, or if they are even the correct dials to be turning.

Correspondence & Board Agendas

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

Board Wrap Up

Commissioner Brown announced that Philips was soon leaving the EWEB building, which represented a \$600,000 swing for the utility, and he wondered if there would be a Board decision on next steps following their departure.

Mr. Lawson said that EWEB had not had direct contact with Philips on this topic yet, but any decisions going forward would be Board decisions. He added EWEB was well positioned to move any personnel to the Roosevelt Operations Center who were already planning that move.

Mr. Lawson asked the Board what they thought about beginning to look at another facility that would allow the utility to completely vacate the riverfront facility they were in now.

Adjourn

President Mital adjourned the Regular Session at 7:44 p.m.

Assistant Secretary

President