

EUGENE WATER & ELECTRIC BOARD  
WORK SESSION  
EWEB BOARD ROOM  
500 EAST 4<sup>TH</sup> AVENUE  
NOVEMBER 21, 2006  
5:30 P.M.

Commissioners present: Sandra Bishop, Mel Menegat, Patrick Lanning, and Ron Farmer. Commissioner John Simpson was excused.

Others present: Randy Berggren, Dick Varner, Tom Buckhouse, Marty Douglass, Jason Heuser, Jim Origliosso, Deborah Brewer, Jim Wiley, Roseanna McArthur, Terry Bequette, Patti Boyle, Debra Smith, and Krista Hince of the EWEB staff; Commissioner-elect John Brown; Ruth Atcherson, City of Eugene minutes recorder.

President Bishop convened the Work Session of the Eugene Water & Electric Board (EWEB) at 5:35 p.m.

### **2007 GENERAL MANAGER'S GOALS DEVELOPMENT**

General Manager Randy Berggren explained that this was the second session. He recalled that Commissioner Farmer had suggested that staff take the “fairly generic” priority areas from the first draft and try to “create a rifle shot” that represented the critical role of the General Manager in each of those areas. He said it was an attempt to represent a more direct goal for his work. He reviewed the *draft Eugene Water & Electric Board 2007 General Manager Goals*.

Commissioner Lanning asked, regarding II(B) which had to do with making a proposal regarding the City’s potential purchase of surplus property, what the timeline of having a proposal to the Board by March 1, 2007 was based on. Mr. Berggren replied that he was trying to increment himself based upon the assumption that EWEB was trying to begin work on the Roosevelt Boulevard site early.

Commissioner Lanning thought the first goal should be to figure out the best approach to working with the City. Mr. Berggren agreed, adding that he planned to meet with City Manager Dennis Taylor on the following day.

In response to a question from President Bishop, Mr. Berggren affirmed that the two choices with the property were to either sell it or initiate a master planning process.

President Bishop was uncertain as to whether the Board approved of moving forward on a master plan process. She asked if the rest of the Board was comfortable with moving forward with the identifying which process to pursue.

Mr. Berggren clarified that he was uncertain that he was positioned as the General Manager to negotiate an agreement that would be acceptable to the City Council and to the EWEB Board. He was clear that he could work with the City to determine what they wanted and that he would bring the City's proposal to the EWEB Board.

Commissioner Farmer stated that what was important to him was the determination of whether the City would buy the property or release its interest in it. He did not wish to break ground until he was certain whether the City was "in or out."

Mr. Berggren wished to know whether it was important to know what the City was willing to pay for the property, should the City wish to retain its interest.

Commissioner Farmer noted that City Councilor Bonny Bettman had asked what the asking price would be. He averred that EWEB should have an idea of what the property should be sold for.

Mr. Berggren asked if that needed to be "hard numbers" or whether it should be a process such as obtaining the appraised value. He remarked that it could become convoluted, given that the City would provide the assumptions upon which an appraisal would be based.

Vice President Menegat felt that what the Board was looking for was what it would anticipate the appraised value to be. He thought Ms. Bettman was looking for a number to use to base a decision upon. He suggested that the 2004 appraisal plus seven percent, to account for price increases, could provide a minimum number. He did not want to get a new appraisal without knowing that the City had some interest in the property.

Commissioner Farmer agreed. He said EWEB should be able to say to the City that it had the first right to buy the property and "here is the price." He felt the goal was to determine whether the City would release its right to the property and if not, how much it would pay for the property.

Commissioner Lanning reiterated that Mr. Berggren would be meeting with the City Manager on the following day.

President Bishop noted, regarding II(C)(3) that the Neighborhood Leadership Council was incorrectly referred to as the Association of Neighborhood Leaders.

Commissioner Lanning thought the Neighborhood Leadership Council (NLC) would be an appropriate group to suggest improvement opportunities for public input, as the goal suggested. Mr. Berggren noted that the NLC had already taken this up.

Vice President Menegat questioned the wording of II(C)(3). He noted that it suggested that the EWEB Board would make changes “*based on recommendations from*” the NLC. He felt that EWEB had to review its whole public input policy and ask whether public input should start before things come to the Board. He wanted to adopt the options that staff felt most appropriate.

Mr. Berggren likened it to clarifying roles in the governance context. He said the Board could listen to the public interests, they could say what they wanted to happen, and staff could tell the Board how it could be done safely.

President Bishop suggested that the phrase “*based on recommendations*” be stricken from II(C)(3).

Mr. Berggren read the statement aloud, as follows:

*“3) Based on recommendations from the [Neighborhood Leadership Council] on improvement opportunities for public input develop recommendations for changes in EWEB’s public input approach by September 30, 2007.”*

He pointed out that his intention of the goal was to develop recommendations for changes based on the recommendations of the NLC.

Commissioner Farmer thought a “wide net” was needed. He did not believe the decisions for the utility should be based on just one set of neighbors; he did not want the focus to be too narrow.

Mr. Berggren clarified that this was intended to be a process adjustment as opposed to being specific to a content issue. He wondered if the utility should develop a public process to work on how the utility could better garner public input.

Commissioner Farmer wished to convince people that the utility, its staff, and the Board cared about people. He related that he had an innate sense that the utility was developing a reputation for not caring how the public felt.

Mr. Berggren suggested that the Board consider creating specific public input opportunities for focused public input on a particular significant issue.

Commissioner Farmer remarked that it was a challenge to find a balance between letting the public “run the farm” and turning a cold ear to the public altogether.

President Bishop asserted that there were basic principles of public input and the members of NLC was very familiar with those principles. She averred that the Board should take whatever the NLC provided and either use it or discard it.

Vice President Menegat observed that EWEB had held extensive public hearings on the

McKenzie Willamette/Triad Hospital's interest in the EWEB site. He commented that he relied on the expertise that was provided him by staff and EWEB's professional consultants to guide his decisions.

Commissioner Lanning wondered if this goal really encompassed two things: the general public input policy and a more strategic policy. He said certain issues did rise to a strategic level and the Board should discuss how such issues should be considered.

Mr. Berggren thought the policy they were "grappling with" was in regard to the development of a special approach for issues that rose to a strategic level.

Commissioner Farmer suggested a change in wording for II(A)(1) so that it indicated that EWEB was exploring whether a fish ladder at the Trailbridge Reservoir was feasible. He thought the present wording assumed that there was an alternative to the present recommendation. Mr. Berggren responded that he had tried to include that by saying that a dam alternative must not create a dam safety concern.

Commissioner Farmer thought the goal lacked an element that would address the management of public perception. He felt the general public was currently being given the perception that the EWEB Commissioners "could care less about fish" and this was not true.

Commissioner Farmer said he would like to discuss what the Board felt the strategic goals for EWEB should be. He felt that some of the goals were important but he was uncertain whether they should be the Board's strategic concerns and not just things that staff should manage. He suggested that the Board provide four things to staff, as an example, that it felt were important so that they could become incorporated into the goals.

Commissioner Farmer also expressed concern about the time spectrum. He noted that a lot of the goals would not be completed in 2007. He thought it would be beneficial to determine a timeline.

President Bishop called for a five-minute break.

## **2007 LEGISLATIVE SESSION PRIORITIES**

President Bishop conveyed Commissioner Simpson's praise for the legislative document. She introduced EWEB's new Legislative Representative Jason Heuser.

Mr. Heuser discussed his background. He said he had worked for five years as a Intergovernmental Relations Manager for the City of Eugene and had served on the staff of United States Senator Ron Wyden in Washington, D.C. for three years prior to that. He noted that he had graduated from the University of Oregon.

Mr. Heuser discussed the recent shift in political demographics in the legislature. He

predicted the legislature would work on the following six larger items:

- A funding boost to education
- The elimination of the “kicker” and the creation of a rainy day fund
- Clean up of Oregon waterways, especially the Willamette River
- Health insurance, including access and cost controls
- A clean up of land use laws, possibly paving the way to a more flexible and equitable version of Ballot Measure 37
- The Governor’s renewable energy proposals.

He acknowledged, regarding the last point, that the Board had recently heard a presentation from Jim Maloney and Dick Helgeson on the proposals. He recapped what had transpired – the Governor had campaigned on a package of Renewable Portfolio Standards (RPS) and had put together a stakeholder group administered by the Oregon Department of Energy that had met since May. He thought the “product” was rough at this point as there was not enough specificity in the language to formulate any bills. He attributed this, in part, to the numerous stakeholders involved in the group. He estimated that there were at least 30 groups and likened garnering substantive language from them to “herding cats.” He said the priority for EWEB was to improve the workability of the bill. He noted that a couple of key considerations were up in the air at this point – it was uncertain how hydroelectric power would be classified, how existing renewable energy resources would be counted, how conservation would fit into the equation, whether EWEB would be required to purchase power it had no need for, and whether a cost cap would “work properly.” He felt it would be a “vastly complicated endeavor” to get the laws through the legislature. He was somewhat concerned that it might “collapse under its own weight.”

Mr. Heuser referred to a 2004 Oregon Supreme Court case that put the validity of water rights and unprotected municipal water rights “in the air.” He said House Bill (HB) 3038 had come out of the 2005 legislative session and it had validated existing permits, codified conservation plan requirements, and limited the period to construct on a permit to 20 years. He related that there was some question whether the Oregon Water Resource Department would uphold the original legislative intent of HB 3038. He noted that there was some movement on permanent extensions in the Clackamas area. He thought this would be a good litmus test as to where EWEB “sat on these things.” He did not foresee further legislation being brought to the table in regard to water rights because he felt legislators would feel it was too soon to alter HB 3038. He thought it would be good to have some sense of how the Clackamas proceedings would transpire so that it could be addressed in this legislative session. He intended to ensure that the legislative delegation and the legislature as a whole understood what was at stake for EWEB and other water providers.

In response to a question from President Bishop, Mr. Heuser affirmed that EWEB would not take issue with the language of HB 3038 at this point. He said it was a question of whether or not the legislative intent was being upheld. He averred that there was a “lot of room” between what EWEB thought the legislative intent was and what was coming out of the legislation.

Mr. Heuser discussed metal theft, which was also an issue he intended to focus on. He said the legislative angle was to bring about new laws that would require documentation for the buyers of such metals.

Mr. Heuser said another issue he intended to bring up had to do with net metering, though this was not widely discussed at the legislative level. He predicted that Oregon would want to change the threshold for net metering given that other states had done so.

The other issue Mr. Heuser cited as an area of focus had to do with the Public Employee Retirement System (PERS). He said the legislature had “stopped the hemorrhaging,” but everyone was still in the hole. He felt that after the battle of 2003 and the subsequent Supreme Court ruling there would not be a lot of “political stomach” to tackle the PERS issue. Nonetheless, he underscored the importance of continuing to communicate to the legislators regarding this issue.

Mr. Heuser listed other peripheral issues that could emerge as written in his memorandum entitled *2007 Legislative Agenda*.

President Bishop asked what was meant by ‘public purpose charges.’ Mr. Heuser replied that Investor Owned Utilities (IOUs) were required to dedicate three percent to public purposes. He said that there had been talk about revisiting that number and increasing it. He was uncertain whether EWEB would have much vested in this issue.

Vice President Menegat approved of the legislative agenda as presented.

Mr. Heuser said he welcomed input from the Board and was always happy to accommodate a Commissioner’s wish to travel to the Capitol. He averred that it made a difference to have Commissioners present to provide EWEB’s perspective on issues. He had also planned several structured events. He said he would put together some talking points for the luncheon scheduled with legislators on December 8. He also proposed having an “EWEB day at the Capitol,” a day for EWEB Commissioners and department heads to visit the Capitol and increase EWEB’s visibility there. He suggested the time period in late February or early March.

Additionally, Mr. Heuser said he would be providing a monthly update to summarize the legislative events that were of interest to EWEB.

Commissioner Farmer wondered how a less general approach could be created and how the Board could become more involved in the process so that Commissioners could advocate for certain issues. He thought there should be more direct conversations about the issues themselves. He was uncertain whether the draft resolution would accomplish much because the issues were “fairly fungible” and the language of the draft was somewhat general.

Commissioner Lanning commented that the reality was that Mr. Heuser was not the Board’s lobbyist rather he was EWEB’s lobbyist. He thought it would be challenging for Mr. Heuser to communicate with each of the Commissioners and formulate platforms of advocacy. He acknowledged that there were critical time periods in the legislature and he thought these were the times that they would have a dialogue between the Board and Mr. Heuser. He said Mr. Berggren would communicate with the Board when critical issues had come to the fore. He added that he supported the idea of Commissioners accompanying Mr. Heuser to Salem to speak on pertinent items of legislation.

Mr. Berggren pointed out that Governance Policy 13 stated that the Board would pass a Resolution regarding the legislative agenda. He added that he agreed with Commissioner Lanning that he, as General Manager, would be “in the middle” between the lobbyist and the Board. He felt Mr. Heuser would do a good job of “teasing out” the issues that demanded Board attention and those issues would require this kind of discussion.

In response to comments from President Bishop, Mr. Heuser assured her that he was diligent in making sure there would not be a bill that would get through EWEB’s “filter” unnoticed in Salem.

Commissioner Farmer supported being proactive.

Commissioner Lanning asked if there was a reason the Resolution was not specifically based in the goals and principles of the Board. He agreed that EWEB should be proactive, but wondered as an example whether the Resolution should cite a goal that indicated that something that ran counter to HB 3038 should be addressed.

Mr. Heuser viewed the legislative agenda as having used the resolution as a template to govern what the goals were.

Commissioner Lanning thought the resolution could be passed with some minute changes.

Vice President Menegat preferred the more general elements outlined in the resolution. His only concern lay in the things that arose quickly and how the Board could be responsive to them.

President Bishop asked if the Board’s preference was to adopt the resolution in December.

Commissioner Farmer did not want to pass it at the present meeting because he did not feel it said “anything.”

President Bishop asked if the Board would take interest in a bill that would propose taking out some of the dams. She thought Mr. Heuser should bring a bill of that level of importance to the Board.

Commissioner Farmer commented that the Board had educated staff people, such as Mr. Taylor who was well versed in water rights, and should take the information provided regarding a critical area and passes along what the Board wished to be accomplished at the legislative level to Mr. Heuser.

Mr. Heuser said he consulted with 32 legislative coordinators, the vast majority of whom spend a lot of time in front of the Board. He said the staff members gathered a lot of information from the Board during meetings and they passed information on to him. He noted that he had met with Mr. Taylor regarding water rights.

President Bishop adjourned the meeting at 7:25 p.m.

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Assistant Secretary

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President