

EUGENE WATER & ELECTRIC BOARD
REGULAR BOARD MEETING
EWEB BOARD ROOM
JUNE 19, 2007
7:30 P.M.

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

Others present: Randy Berggren, Tom Buckhouse, Debra Smith, Marty Douglass, Dave Koski, Jim Origliosso, Steve Newcomb, Gale Banry, and Krista Hince of the EWEB staff; Ruth Atcherson, City of Eugene minutes recorder.

President Menegat convened the Regular Meeting of the Eugene Water & Electric Board (EWEB) at 7:12 p.m. as the Work Session had adjourned early. He noted that Commissioner Farmer was excused.

AGENDA CHECK

President Menegat proposed moving the Public Input segment of the agenda to after Item 4 in lieu of the early start time for the Regular Meeting.

Commissioner Lanning suggested that President Menegat ask if there was additional public input at 7:30 p.m. and then the Board could stick to its original timeline given that there were two people present who wished to speak.

The Board agreed to proceed with Public Input and to provide additional time for public input at 7:35 p.m. for members of the public who wished to speak who were not already present.

PUBLIC INPUT

President Menegat reviewed the rules of the Public Input portion of the meeting.

Anand Keathley provided his testimony in writing. He averred that EWEB would be “offered great opportunities” from the effects of peak oil, global climate change, and “the actions people take because of those two things.” He believed that reinstating EWEB’s citizen involvement committees would ensure EWEB continued fulfilling its mission and would capitalize on the opportunities. He supported adoption of a climate change policy, calling it a good start. He predicted that climate change could cause mass migration to this area, but this could create opportunity. He thought the issue of peak oil would increase the need for electricity to be the power base for transportation. He felt the time to prepare for this was now. He thought “thousands” of people in the community had studied these issues and could help EWEB. He recommended that along with a new climate change policy, EWEB should have a peak oil policy and reinstate a citizen input committee.

Kathy Ging declared that it would take the whole community to launch into the solar age. She asked EWEB’s commitment to invite citizens to participate in planning in the present for the decline in cost and widespread availability of solar electricity. She noted that solar water heaters

were expensive and suggested that EWEB develop a policy that would increase incentives and thus the market share. She noted that Israel required solar water heaters. She believed the Board could set policy to assure a local partially solar powered future for ratepayer/owners. She asserted that California was aiming for a million solar roofs. She averred that the sun would provide demand reduction if society would strategize mechanisms to install solar facilities. She alleged that the country of Germany bought half of the solar cells made world-wide. She said solar electricity provided other economic advantages, including modularity, simplicity, and at least 30-year longevity. She declared that the transition to solar energy and electricity would happen much faster than most people imagined and faster than experts would predict, because solar power would increasingly be the cheapest way to light space, manufacture goods, cook, travel, compute, and watch television. She suggested that EWEB set up a model citizen participation energy committee.

Commissioner Lanning thanked Mr. Keathley for the compact disc of materials and his written testimony. He noted that he had a solar water heater installed in 2006.

APPROVAL OF CONSENT CALENDAR

1. Minutes

- a. March 20, 2007, Regular Board Meeting.
- b. April 3, 2007, Work Session
- c. April 3, 2007, Regular Board Meeting
- d. May 1, 2007, Work Session
- e. May 1, 2007, Regular Board Meeting

Business Service Agreements

2. American AFK Company – Resilient Wedge Gate Valves – Electric Division - \$425,000
3. Kearns & West, Inc. – Carmen-Smith Relicensing Settlement Negotiations Facilitation Services – Electric Division - \$500,000
4. Kelly Services – Water Management Services Summer Staff – Water Division - \$70,000
5. Public Agency Network (PAN) – Telecommunications – Operations Annual Budget of \$150,448 for fiscal year 2008 (July 1, 2007, through June 30, 2008) - \$150,448

Commissioner Brown, seconded by Vice President Simpson, moved to approve the Consent Calendar and minutes, as amended. The motion passed unanimously, 4:0.

ITEMS REMOVED FROM THE CONSENT CALENDAR

There were no items removed from the Consent Calendar.

ITEMS FROM BOARD MEMBERS

Vice President Simpson related that he had been contacted by a customer with a concern and he was working with staff to get it resolved. He said he was also pleased with the press that EWEB had received regarding the efforts made to “stay on top of the boat ramp issue.”

Commissioner Lanning thanked Vice President Simpson for covering the July 20 Lane Council of Governments (LCOG) meeting for him.

Commissioner Lanning noted that the discussion on climate change had not been included in the strategic planning retreat. He said the last Integrated Energy Resource Portfolio (IERP) process had included members of the community.

General Manager Randy Berggren commented that EWEB was “close to resurrecting it.”

Commissioner Brown announced that another River Clean-up was scheduled for Saturday, June 23. He said he conducted a voluntary survey of the area and he wished to commend EWEB for being “one of the best if not the best” steward of the area between Jasper and the confluence. He said the area would not need cleaning. He commented that he wished the other governmental agencies would do as well.

Commissioner Brown related that he had been lobbied hard by the river guides groups and others regarding the boat ramp. He wanted to keep the project going.

Additionally, Commissioner Brown encouraged everyone to see how pristine the watershed of the upper McKenzie River was. He stressed the importance of preserving that asset. He opined that it was unparalleled in beauty and integrity and noted there were threats to it. He said besides listening to people while undergoing the relicensing process for the Carmen-Smith facility, the Board and staff should “go up and look at it.” He thought they could run 1,000 cubic feet per second (CFS) but though EWEB was permitted to do it, it did not have to. He commented that when going down the river it was apparent that two to three times as much water came out of EWEB’s canal as there was in the natural river. He declared that it was not right.

President Menegat reported that he had the opportunity to attend the McKenzie Watershed Council (MWC) meeting. He noted that though the primary agenda item focused on revisions to the charter it became apparent that EWEB figured positively and prominently in just about every area of the discussion.

President Menegat related a customer comment. He said a friend with an aging heat pump had contacted the energy assistance staff and was pleased with the help she received as well as with the contractor she dealt with. She also had let President Menegat know that recently a squirrel had taken out a transformer and she had a positive experience with the EWEB workers who fixed it. The

response had been immediate, the help had been good, the linemen noted that trees needed trimming and shortly after that a tree trimming crew had been dispatched.

Commissioner Lanning said he continued to get customer questions and concerns regarding the effluent that was going into the McKenzie River from construction there. He asked for “better information” to provide to people. Mr. Berggren replied that staff could provide it for him.

President Menegat related that the Army Corps of Engineers (ACOE) had assured those attending the MWC meeting that the drawdown of the reservoirs in the area in early June was not so the Rose Festival ships could get to port.

Vice President Simpson stated that he had attended the Safety Break celebration, an all staff barbecue that culminated in another Safety and Health Achievement Recognition Program (SHARP) award. He was proud of EWEB’s SHARP status.

Additionally, Vice President Simpson had attended a “roll out meeting” for staff at EWEB regarding a Web energy audit package that could be put on EWEB’s Web site. He said it would provide a lot of information on options to save energy and water. He related that soon customers would be able to look back and see prior consumption in order to tie in the savings with past history. He thanked staff for facilitating the energy audit package.

CORRESPONDENCE

Mr. Berggren reported the following items of correspondence:

- Mr. Heuser had provided a memorandum to the Board giving a legislative update. Questions on the status of legislative items were welcome and the Commissioners were encouraged to call.
- As a part of the management audit letter Commissioner Farmer had requested an ongoing status report through the year of the settlements of the auditor’s recommendations. An interim report of the progress was provided to the Board
- Mayor Kitty Piercy would attend the next management/supervisor meeting regarding their participation in the local change initiatives she was working on in the city.

Mr. Berggren commented that this was not a new topic for managers and supervisors. He noted that the meetings had included discussions on peak oil and a visit from Secretary of State Bradbury who has joined Al Gore’s efforts regarding global warming, among other things.

BOARD AGENDAS

Mr. Berggren highlighted the *Eugene Water & Electric Board Agenda Report* dated *June 19, 2007*. He noted the meeting in the first week of July had been cancelled. He stated that July 16 had been set aside as a placeholder for a joint meeting but he did not think it would occur. The work session and regular meeting of July 17 would be held as per usual. He reviewed the agenda. He said a conversation on the Roosevelt Building Project was scheduled prior to the Budget Planning Retreat scheduled for July 24, a precursor to action that would lead to design work to prepare for the 2008 construction season.

In response to a question from Commissioner Brown, Mr. Berggren stated that the budget retreats tended to take four to six hours.

Commissioner Brown asked if the private sector review of the Roosevelt site plans would be a focus of Board discussion. Mr. Berggren replied that it was planned but not scheduled at this point.

Vice President Simpson said he would be interested in information on the residential exchange issue prior to the next discussion of regional issues. Mr. Berggren noted that the regional issue discussion was next scheduled for the December 4 meeting.

Ms. Smith said Mr. Helgeson would be giving a talk to the Chamber of Commerce on the residential exchange issue with Rick Crinklaw, General Manager of the Lane Electric Cooperative, on June 22.

BUSINESS SERVICES AGREEMENT

Distribution Reliability Manager Dave Koski explained that the agreement was for tree pruning services and utility line clearance. He stated that it had gone out to bid and the current vendor had provided the best response.

In response to a question from Commissioner Lanning, Mr. Koski affirmed that the reason the contract was on the agenda and not the Consent Calendar was that it had exceeded the financial threshold.

Mr. Berggren said EWEB had fallen behind on its tree trimming after an extensive effort. He felt EWEB should do everything it could to remain in compliance with the Public Utility Commission (PUC).

Commissioner Brown supported this but he wanted to make sure EWEB kept in mind that communication with property owners was very important. He averred that it was easier to be proactive than reactive.

Vice President Simpson, seconded by Commissioner Lanning, moved to approve Utility Tree Service Incorporated as the lowest responsible bidder for additional tree trimming services and increase their existing contract by \$1,400,000 for the remaining 33 months of the contract. The motion passed unanimously, 4:0.

ADJOURNMENT

President Menegat adjourned the Regular Board Meeting at 7:43 p.m.

Assistant Secretary

President