

EUGENE WATER & ELECTRIC BOARD  
WORK SESSION  
EWEB BOARD ROOM  
NOVEMBER 6, 2007  
5:30 P.M.

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

Others present: Randy Berggren, Tom Buckhouse, Dick Varner, Patty Boyle, Jim Origliosso, Jim Wiley, Deborah Brewer, Cathy Bloom, Dick Helgeson, Debra Smith, Mark Oberle, Lance Robertson, Ken Beeson, Jason Heuser, Jean Meyers, Terry Bequette, Brad Taylor, Christina Bennett, and Krista Hince of the EWEB staff; Ruth Atcherson, City of Eugene minutes recorder.

President Menegat convened the Work Session of the Eugene Water & Electric Board (EWEB). He noted that Commissioner Lanning would not be present.

**MEMORANDUM OF UNDERSTANDING BETWEEN EWEB AND THE CITY OF EUGENE REGARDING THE RIVERFRONT PROPERTY**

Real Property Manager Mark Oberle stated that the changes to the draft had consisted mostly of wordsmithing; the substance of it had not changed much since the last iteration. He hoped to ascertain that the Board supported the direction the Memorandum of Understanding (MOU) was taking. He had made one change on the second page in that initially EWEB had included a reference to Eugene Code 2.196, code regarding surplus property, and the City had wanted to expand on and paraphrase that language. He said they had mutually decided they did not need to do more than reference the code. He noted that he had originally included some discussion of the purchase agreement but had ultimately pulled it out given that this would have to be dealt with anyway, should the City decide to exercise its first option on the property. He added that until the City saw the master plan, it would not be sure whether it wanted the property or not.

Commissioner Farmer ascertained from Mr. Oberle that there was nothing in the MOU that said EWEB could not declare the property surplus. Mr. Oberle said the earliest the Board might want to consider declaring the land surplus would be after the wetlands permits were issued and the financing for the Roosevelt Boulevard project was underway. He felt that when the master plan, the Metro Plan amendment, zone change and lot line adjustments were completed it would be time to get an accurate appraisal and move forward with the sale.

Mr. Oberle stated that the next substantive change had to do with the eight-member Citizen's Advisory Team (CAT). He said EWEB had changed the number to nine because an odd number helped to create a majority.

Commissioner Brown noted that in its appointments to the Sustainability Commission, the City had changed its protocol to allow applicants from outside the City to apply. He expressed concern that EWEB keep to a specific set of criteria that was uniform. He recalled that they had

talked about communities of interest representing a diversity of public opinion. He thought this might take some type of process to find where those people are and what their opinions were. He wanted to ensure that EWEB and the City agreed to the same set of rules.

Mr. Oberle said another addition had been due to information received on what the City typically expected to see from a master planning process.

Commissioner Farmer asked if once the master plan was completed whether there would be flexibility in it to change the location of open space, as an example. Mr. Oberle responded that he was not certain whether there was a post-master plan option to make changes. Commissioner Farmer was concerned that the plan might become specific to the degree that changes could not be made.

In response to a question from Commissioner Farmer, Mr. Oberle explained that Mixed Use did not mean that an office building on the property could not be solely an office building. He understood the concept of Mixed Use to mean that the piece of property would include a mix of uses, but the buildings would not be required to have multiple uses. He said he would get clarification on this point.

Commissioner Brown observed that public processes cost money. He expressed some concern that EWEB would define landscaped areas as open space that was open to the public and then the areas could become privately owned and this would not be so. He did not want to get into a “morass of over-scrutinization.” He felt EWEB had to maximize the value of its asset for the community and for the ratepayer.

In response to a follow-up question from Commissioner Brown, Mr. Oberle predicted that if the Board declared the property to be surplus the City would say it was interested in the property. He thought the negotiations would include completion of the master plan and the approval of the plan amendment, lot line adjustments, and zone change in order to get to the point of conducting an appraisal.

Mr. Berggren added that the City would have to respond within 30 days to any declaration EWEB might make, but they would delay any request for negotiations until the master plan was completed.

In response to a question from Commissioner Brown, Mr. Berggren confirmed that EWEB could ask any price it wished to assign the property and EWEB was also not required to accept any price the City proposed. He said they “could sit there for five years.” He commented that the ordinance was intended to ensure the efficient transfer of publicly held lands to other public agencies without moving back to the private sector and then returning it to the public sector. He remarked that the City seemed to be using this tool for the wrong purpose because he had surmised that the City was using it based on thinking that EWEB might not undertake the right master planning process. He added that this did not make sense to him given that the City had ultimate approval authority.

Commissioner Brown asked if EWEB would be allowed to sell the property on terms. Mr. Berggren replied that there was nothing in the ordinance that said how the property should be sold.

Commissioner Brown ascertained from Mr. Berggren that EWEB could then take a series of payments and leverage them towards a bond. Mr. Berggren said he would confirm this with EWEB legal counsel, Win Calkins.

In response to a question from Commissioner Farmer, Mr. Oberle said they had not included a timeline in the MOU because on a staff level they were not yet certain how long it would take to develop all of the criteria.

Commissioner Farmer observed that the selection of and criteria for the CAT team also did not include a timeline. Mr. Oberle responded that he thought it was intended to take up to two months.

Commissioner Farmer ascertained that the uncertainty in the timeline lay in the hiring of the consultant and the selection of the criteria. Mr. Oberle clarified that it was hoped the process would be completed within a year.

President Menegat asked when the year he was referring to was thought to begin. Mr. Oberle replied that staff hoped that the process would be completed within a year of both parties signing the MOU.

Commissioner Brown asked who would pay for the consultant and staff the meetings. Mr. Oberle responded that EWEB would shoulder that responsibility. He added that the CAT would be a volunteer effort but the facilitator would cost money.

President Menegat asked if the City's staff felt that they could complete what they needed to do within a year. Mr. Oberle believed the answer to the question was 'yes.'

Commissioner Farmer wondered who paid for master planning generally. He asked, as an example, if he would have to pay for City of Eugene staff time for master planning a local mall. Mr. Oberle responded that he was uncertain of the answer. He noted that someone who requested a pre-development meeting had to pay for the meeting.

Commissioner Brown ascertained from Mr. Oberle that no Commissioners would serve on the CAT. He asked if there would be any limitation on city staff having contacts with the City Council given that they had the final authority to make the decision whether to purchase the property or not. Mr. Oberle replied that he would have to consult legal counsel for the answer.

Commissioner Brown questioned why there would be no Board liaison to the CAT. Mr. Oberle responded that staff would serve as the Board's liaison and no decisions would be made without the Board.

Commissioner Farmer asked if the City Council should recuse themselves from any of the process given that they were going to be ultimately voting upon it. Mr. Oberle said City Attorney Glenn Klein had rendered an opinion that indicated the council could not be involved in the process other than signing an order or reviewing the MOU.

Vice President Simpson asked if there were any similar limitations that applied to the Board. Mr. Berggren did not believe they would. Mr. Oberle indicated he would check this with EWEB's General Counsel Win Calkins as well.

In response to a question from Commissioner Brown, Mr. Oberle said he would also consult Mr. Calkins as to whether the public meetings laws governing quorums, etc., applied to the CAT.

Commissioner Brown said in the interest of moving forward he was amenable with the language. He stated that as long as there was some language that pertained to the technicalities of whether there could be *ex-parte* contacts and the criteria set forth on who should serve on the CAT and as long as the Board had the ability to amend it he was okay to go ahead as generally as it was written.

Vice President Simpson echoed Commissioner Brown's comments. He said he did not want to hold up the process and miss the opportunity to move forward.

In response to a question from Mr. Berggren, Mr. Oberle said he thought it would be appropriate to tack on language to capture the concerns that had been expressed in the Intent Clause.

President Menegat indicated his support for the MOU as set forth. He thought there were issues that needed to be addressed and he wanted the answers prior to giving the authority to Mr. Berggren to take the MOU forward. He suggested that Mr. Berggren return with the answers to the questions raised.

Mr. Berggren agreed to provide the needed information. He ascertained that the Board wanted to take formal action on the MOU.

Commissioner Brown asked if the item could be included in the November 19 session. Mr. Berggren thought this was possible. Vice President Simpson indicated his support for taking some time on that date to address the MOU.

## **STRATEGIC STAFFING**

Human Resources Manager Jean Meyers introduced Senior Human Resources Generalist Christina Bennett. She provided a power point presentation on *Strategic Staffing*. She reiterated the focus of the strategic staffing effort, which was to address the challenges that the number of retiring employees was creating.

Commissioner Farmer did not think the strategic planning would be a short-term effort, as he did not believe the labor situation would “go away” by 2012. He wanted to take a long-term view in order to be adequately prepared.

In response to a question from Commissioner Farmer, Ms. Meyers said she would not assume that it would be easier to replace the skilled crafts, which had a longer development window.

Commissioner Brown asked if the majority of people serving in management positions had worked their way there from other more entry level positions at EWEB. Ms. Bennett replied that it was a “mixed bag” of people who worked their way up and people who came into their positions as new EWEB employees.

In response to a question from Vice President Simpson, Ms. Meyers clarified that “eligible to retire” was based on eligibility as defined by the Public Employees Retirement System (PERS), which was age 50 with 30 years of services or age 55 if less than 30 years of service. Ms. Bennett added that there were other tiers defined by PERS as well.

Ms. Meyers stated, in response to a follow-up question from Vice President Simpson, that they were working toward a five-year strategic plan linked to the budget process. She reviewed the *Timeframe and Scope*. She pointed out that while EWEB attended job fairs it was not possible, given that it was a public entity, to provide the same perks to new employees as private sector employers could offer. Ms. Bennett underscored that as a steward of private funds EWEB could not give new employees “cars or trips to the Bahamas” for signing on.

Ms. Meyers explained that where EWEB once had distinction for its PERS retirement benefits and its pay scales, this was no longer the case. She said EWEB still had good benefits, but because of the reform in PERS and that EWEB provided “average pay” it was no longer a distinctively better employer.

Commissioner Farmer asked if Ms. Meyers was referring to appealing to experienced personnel or to trainees. He noted that he had seen that 140 people had applied to be line technicians. Ms. Bennett responded that those were the jobs they wanted to put in for “overlap.” She averred that what there was not a lot of were engineers. She said it was difficult to draw those people because EWEB was essentially the same as the employer they already worked for.

Commissioner Farmer observed that there was a national labor shortage. Ms. Meyers concurred. She noted that there had been an article in the local paper that contended that the country had done a great job of embedding the idea of obtaining a college education but it had been somewhat at the expense of the trade schools.

Commissioner Brown asked what effect the new facility was expected to have on job recruitment. Ms. Meyers replied that in her point of view it was a consideration for some people to be able to work in a state-of-the-art facility.

Ms. Bennett remarked that she rarely heard from trades candidates anything about the facility given that they worked a lot of the time out in the field. She added that she did hear from people who worked in the office that they liked that the facility was on the river.

Vice President Simpson asked what kind of effort human resources personnel made to sell the soft benefits of working for EWEB such as the proximity to the mountains, etc. Ms. Bennett replied that they did try to make the sell based on that. She noted that they had brochures with “pretty pictures” of the area in it.

In response to a question from Commissioner Farmer, Ms. Bennett explained that the Bureau of Labor and Industries (BOLI) governed apprenticeships, so that EWEB would have to abide by the ratios of apprentices they required.

Commissioner Farmer asked if there was any movement to press the legislature to change this. Ms. Meyers replied that Employee, Community and Customer Services Director Debra Smith planned to work with our Legislative Lobbyist Jason Heuser on it.

Ms. Bennett related that the local Joint Apprenticeship and Training Committee (JATC) had made a post change to the meter personnel apprentice program, which was being advanced to the state.

General Manager Randy Berggren commented that there was some concern regarding the number of apprentices related to maintaining safety in the workplace. He noted that he had served on the local JATC for six years as an employer representative.

Commissioner Farmer underscored that he was not advocating for bypassing safety.

Ms. Bennett stated that employee turnover for EWEB was low. Vice President Simpson attributed this to efforts made to tie into peoples’ values.

Ms. Bennett reviewed the *Electric Division – FTE Overlap Projection*. In response to a question from Vice President Simpson, she clarified that a one in the chart indicating the projected overlaps represented one Full Time Equivalent (FTE) employee.

Mr. Berggren asked what percentage of the people that were expected to leave was being addressed by the effort to overlap positions. Ms. Bennett replied that human resources staff was trying to address the positions of all of the people who indicated they were leaving.

Vice President Simpson asked if there was any historic data on the difference between the numbers of people who declared they were retiring versus who actually did retire. Ms. Meyers replied that they did not have that data.

In response to concerns expressed by Commissioner Farmer, Mr. Berggren said he was uncertain how one could measure the productivity gain or loss of hiring an apprentice. He sensed that until an apprentice hit the 18-month mark and had the theoretical background and construction approach EWEB lost productivity to a certain extent.

Vice President Simpson asked if EWEB had faced this situation before. Mr. Berggren replied that in the 1980s and 1990s EWEB was hiring full journey status employees because they were interested in working for EWEB given the benefits. He said EWEB was not getting the same quality of job applicants at this point, noting that EWEB was not alone in this situation.

Vice President Simpson asked if the pay differential an apprentice received during the three and a half year long apprenticeship was equal to the cost of a similar education. Ms. Bennett replied that apprentices started at 70 percent of the journey rate and this was set by the JATC. She thought it could be similar to that cost.

Commissioner Farmer wanted to ensure that EWEB was not just running a training program for employees who would then go to work for the Springfield Utility Board (SUB) or the Emerald Public Utility District (EPUD). Ms. Meyers responded that Lane Electric Cooperative (LEC) had tried to enforce a payback for the investment made in apprenticeship and the BOLI had made a determination that this did not meet the intent of Oregon's ideas of what apprenticeship should be. She said if a utility wanted to they could enact a "non-compete" clause for a time for an apprentice.

Commissioner Farmer averred that EWEB needed to have strong ways to hook people so that they did not just leave after completion of the apprenticeship. Ms. Meyers cited some of the things that EWEB did offer, which included an on-site physical fitness center, credit union, and childcare center.

Commissioner Brown remarked that he did not want to force people to work for EWEB; he wanted them to want to work for EWEB.

Ms. Meyers highlighted the *HR Systems – Strategic Responses*.

Commissioner Farmer asked if EWEB could give signing bonuses to potential employees. Ms. Meyers affirmed that they could do so with the Board's approval.

Commissioner Farmer said EWEB should not have overlap be the only answer. He suggested that EWEB could lure employees from other places using tools such as signing bonuses. He pointed out that this would cost less than paying to overlap FTE. He noted that he had been given a signing bonus when he took his job.

Ms. Bennett asked how a signing bonus could be used to retain an employee. Commissioner Farmer replied that his bonus had been prorated over eight years.

Commissioner Brown asked if EWEB was working with Lane Community College (LCC) to provide training to potential employees. He supported collaborating with LCC and supporting the schooling for trades.

Ms. Meyers stated that there was no local collaborative effort at this time. She felt it was a great idea and should be part of the long-term strategy. She noted that EWEB used to have high school students serving as interns over the summer.

Vice President Simpson suggested that EWEB hold a citizens' utility academy, not unlike the Citizens Police Academy that the Eugene Police Department held. He thought it could build good will in the community and promote interest in how EWEB's departments functioned.

President Menegat adjourned the meeting at 7:28 p.m.

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Assistant Secretary

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President