

EUGENE WATER & ELECTRIC BOARD  
REGULAR BOARD MEETING  
EWEB BOARD ROOM  
JANUARY 2, 2008  
7 P.M.

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

Others present: Randy Berggren, Tom Buckhouse, Jim Wiley, Debra Smith, Terry Bequette, Mark Oberle, Jim Origliosso, Dick Helgeson, Lance Robertson, 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 7:13 p.m.

### **AGENDA CHECK**

There were no changes to the agenda.

### **PUBLIC INPUT**

There were no members of the public who wished to speak at this time.

### **APPROVAL OF CONSENT CALENDAR**

#### **Ratification Of Board Consultants For 2008**

- 1.0 Ratification of Board Consultants for 2008
- 1.1 Independent Auditor (required by Carmen-Smith Bond Resolution) – Moss & Adams
- 1.2 Independent Engineer (required by Carmen-Smith Bond Resolution) – Black & Veatch
- 1.3 Consulting Engineer (required by Trojan Bond Resolution) – Black & Veatch
- 1.4 Certified Public Accountant (required by Trojan Bond Resolution) – Moss & Adams
- 1.5 Consulting Actuaries – Kenny Consulting
- 1.6 Financial Consultant – JP Morgan

#### **Ratification Of Retained Professionals For 2008**

- 2.0 Retained Professionals and Attorneys for 2008
- 2.1 General Counsel – Calkins & Calkins
- 2.2 Special Counsel – Cable Huston Benedict Haagensen & Lloyd LLP
- 2.3 Bond Counsel – Nixon Peabody
- 2.4 Power Risk Counsel – Jim Deason, Attorney At Law
- 2.5 Human Resources Counsel – Harrang, Long, Gary, and Rudnick
- 2.6 Bond Disclosure Counsel – Mersereau and Shannon

#### **Minutes**

- 3.0 a. November 20, 2007, Special Board Meeting

#### **Business Service Agreements**

4. Gleaves Swearingen Potter & Scott, LLP – Legal Services for Benefit Plans – Human Resources – Employee, Customer, and Community Services Division.
5. Lane Council of Governments (LCOG) – Riverfront Master Plan Development – Public Affairs – Employee, Customer, and Community Services Division.

6. The Lindholm Company, LLC – Surveys and Research Analysis – Public Affairs – Employee, Customer, and Community Services Division.
7. Normandeau Associates, Inc. – Leaburg-Waltermville Upstream Fish Passage Study Implementation – Electric Division.
8. Strategic Safety Associates – MoveSMART Training Modules – Safety Section Human Resources – Employee, Customer, and Community Services Division.

**Resolutions**

9. Resolution No. 0802 – SD16 – Information Technology

Vice President Simpson, seconded by Commissioner Farmer, moved to approve the Consent Calendar. 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**

Commissioner Brown commended the General Manager and staff for the prompt and thorough responses to his questions.

Vice President Simpson said he had been approached by the management of the Asian Celebration requesting that EWEB help to sponsor the event, at a cost of \$2500. He had forwarded the information to the General Manager's office for consideration.

**CORRESPONDENCE**

General Manager Randy Berggren reported the following item of correspondence:

- Electric Division Director Jim Wiley had received an order from the Federal Energy Regulatory Commission (FERC) that would require EWEB to identify a site for a boat landing on the McKenzie River by March 31, 2008.

Commissioner Brown asked what would happen if EWEB did not have ownership of a potential site and there were transportation issues. Mr. Berggren replied that this could be problematic. He said they would look further into the order and provide information as staff became aware of it.

In response to a question from Commissioner Farmer, Mr. Berggren said he thought FERC was responding to EWEB's last proposal and wanted EWEB to conclude its relicensing process. He did not believe FERC was responding to public input from residents of the McKenzie area.

## **BOARD AGENDAS**

Mr. Berggren highlighted the *Eugene Water & Electric Board Agenda Report* dated January 2, 2008.

In response to a question from Commissioner Brown, Mr. Berggren affirmed that it was inappropriate for Commissioners to respond to any questions on labor negotiations until the process was resolved.

In response to a question from Vice President Simpson, Commissioner Farmer confirmed that he had written a draft response to customer complaints regarding the wastewater charges. He said his intent was to verify customer addresses from the complaints and then issue his response to them, which would clarify that wastewater charges were generated by the city and not by EWEB.

Vice President Simpson noted that EWEB received occasional customer complaints regarding the use of a Vancouver, Washington facility to process its bills and asked if staff responded to them. Treasurer Jim Origliosso assured him that staff provided a response to individuals who expressed this concern.

## **ELECTION OF OFFICERS FOR 2008**

Commissioner Farmer nominated Vice President Simpson to serve as President in 2008. Commissioner Brown provided the second.

Vice President Simpson nominated Commissioner Farmer to serve as Vice President in 2008.

The motion passed unanimously, 4:0.

Commissioner Menegat turned the gavel over to President Simpson. The new officers received a round of applause.

## **APPOINTMENT OF COMMISSIONERS TO BOARD LIAISON ASSIGNMENTS AND COMMITTEES**

Commissioner Menegat recalled that it had been observed in the Board's earlier discussion of the appointments and assignments that there had been no call for the *Liaison to Special Districts* nor had there been one for the *Board Liaison for Municipal Water Rights Issues*. The Board determined that these positions could be filled if the need arose.

The following appointments would not change from the roster of 2007:

- Commissioner Menegat will continue to serve on the Western Generation Agency Board of Directors.

- Commissioner Menegat and President Simpson will continue to serve on the General Manager Performance Evaluation & Compensation Subcommittee.
- Commissioner Brown and Commissioner Menegat will continue to serve on the Building Advisory Team.
- Vice President Farmer and Commissioner Lanning will continue to serve on the Committee for Recruitment of a New General Manager.

President Simpson noted that Commissioner Lanning had indicated he may be considering a change from his service on the Lane Council of Governments (LCOG). Commissioner Menegat clarified that Commissioner Lanning did not intend to leave his post until his term was completed and had requested that the alternate be someone interested in continuing LCOG membership after his departure. He expressed a willingness to serve as the alternate but said he would support anyone else who was interested in serving.

Vice President Farmer suggested that Commissioner Brown serve as alternate. Commissioner Brown was willing to do so.

President Simpson nominated Commissioner Brown to serve as EWEB representative to the McKenzie Watershed Council, adding that he was willing to serve as the alternate.

Vice President Farmer, seconded by Commissioner Brown, moved to appoint Commissioner Brown as the alternate for the Lane Council of Governments, to appoint Commissioner Brown to serve as representative to the McKenzie Watershed Council and for President Simpson to serve as alternate, to remove the Liaison to Special Districts position, and to remove the Board Liaison for Municipal Water Rights Issues. The motion passed unanimously, 4:0.

In response to a question regarding the Western Generation Agency from Commissioner Menegat, Ms. Smith said staff would take the changes made and bring them back in resolution form for the meeting of January 15.

## **2008 GENERAL MANAGER GOALS AND STRATEGIC PLAN**

Mr. Berggren stated that, per Board direction, he had removed the first goal, which included strategic initiatives and operational performance measures. He substituted a goal regarding a strategic initiative relative to continuing progress to secure water rights and an emergency supply capability. He said the second, third, and fourth goals had been left intact and the goals and plan would be brought before the Board for approval on February 5.

Vice President Farmer suggested that the first two goals include a sentence that indicated that they would be accomplished in the first three months of the year. Mr. Berggren agreed to include a timeline.

Commissioner Menegat voiced approval for the General Manager's involvement in Goal 4, regarding the development of a long-range plan for the steam facility.

President Simpson said he was glad that Mr. Berggren was "right in the center of the headquarter master plan" as a goal. He stated that he looked to the General Manager for his senior leadership in that area. He averred that it was important for EWEB to come through the master plan process with a "wide number of people" satisfied.

Commissioner Brown underscored the importance of maximizing the value of the property. He remarked that the community could easily become bogged down "in the process." He wanted to recognize that trying to satisfy everyone could derail the plan.

### **CALIFORNIA LITIGATION SETTLEMENT**

Power Resources Division Director Dick Helgeson stated that he was seeking approval of Resolution No. 0801, concerning the settlement of claims with California parties generally referred to as the California Energy Litigation. He said the Board's approval of the settlement marked the end of the "long difficult fallout" of the west coast energy crisis, which started in the fall of 2000 and extended to the spring of 2001. He stressed that EWEB had done nothing wrong in selling power to California; in fact EWEB had emphatically denied and vigorously defended itself against the California claims and assertions. He related that FERC had found that EWEB's power sales during that period were appropriate, honest, and above board and had, in fact, helped California in a time of crisis. He underscored that EWEB had been exonerated by FERC in other legal proceedings to date. He stated that the \$1.9 million that would be paid to California was purely the result of financial consideration. California had enormous resources and could continue to take EWEB to court "for a long time." He reported that EWEB attorneys had estimated that continuing to fight the litigation could cost as much as \$5 million. It did not make sense to move forward with the litigation. He remarked that it was never easy to pay money to someone while knowing one is in the right. Given the risks the attorneys had recommended that EWEB settle. He stressed that EWEB customers could rest assured that this would not affect rates. He said thanks to the leadership of the elected commissioners and staff EWEB was on solid financial footing.

Mr. Berggren stated that once the resolution was approved, staff would work to recover as much of the money as possible through EWEB's insurance. President Simpson responded that the Board had identified this as a priority.

Vice President Farmer, seconded by Commissioner Brown, moved to approve Resolution No. 0801. The motion passed unanimously, 4:0.

Regular Board Meeting  
January 2, 2008  
Page 6

**BUSINESS SERVICE AGREEMENT**

This item, Lane County Human Services Commission for \$1.1 million, had been removed from the agenda.

**ADJOURNMENT**

President Menegat adjourned the Regular Board Meeting at 7:40 p.m.

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Assistant Secretary

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President