

EUGENE WATER & ELECTRIC BOARD
WORK SESSION
EWEB BOARD ROOM
FEBRUARY 5, 2008
5:30 P.M.

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

Others present: Randy Berggren, Tom Buckhouse, Jim Wiley, Jim Origliosso, Dick Helgeson, Matt Northway, Mark Oberle, Dick Helgeson, Cathy Bloom, Lance Robertson, Dick Varner, Mike Logan, Mark Freeman, Ken Beeson, Bill Welch, John Mitchell, Sheila Crawford, Bob Lorenzen, Tom Williams, and Krista Hince of the EWEB staff; Nan Laurence, Jeannine Parisi, Eugene Planning and Development Department; Kathi Wiederhold, Lane Council of Governments; Ruth Atcherson, City of Eugene minutes recorder.

President Simpson convened the Work Session of the Eugene Water & Electric Board (EWEB).

ENERGY CONSERVATION PLAN

Energy Management Section Manager Bob Lorenzen provided a power point presentation on the *Draft Energy Conservation Resource Strategy*. He underscored the objectives of the strategy, which sought to acquire all cost-effective conservation at a reasonable and predictable rate. He reviewed the *Acquisition Scenario Options*, which included three scenarios and the current path scenario. He also discussed the *Environmental/Social Benefits of Energy Conservation*, stressing that any conservation had benefits over any supply side resource. He stated that all four scenarios cost less than doing nothing and buying power on the market. He related that Scenario 1 was the recommended scenario. Scenario 2 provided the greatest reduction in Green House Gases (GHG), but the elevated rate of acquisition was potentially not sustainable. He said Scenario 3, which sought to acquire the minimum conservation resources to meet the Conservation Resource Credit (CRC), ended up being the highest cost alternative in the long run because of the initial reduction in resource acquisition. He underscored that Scenario 1 was a manageable increment above the current path.

President Simpson said EWEB had been involved in conservation for a long time. Mr. Lorenzen responded that EWEB had not been acquiring conservation at the level the proposed scenario would bring, which was 3.5 average megawatts (aMW), one aMW greater than EWEB had performed at for the last four to five years.

Mr. Lorenzen reviewed the *Action Items*:

- Update the 10-year financial plan to add funding to support the 5-year acquisition plan.
- Prioritize resource acquisition in each sector.
- Assess and align conservation programs to acquire priority resources.
- Develop an Implementation Plan and update annually.

President Simpson asked if the budget work would include decoupling the expenditures from the five percent revenues to a more consistent year-to-year amount. Energy Management Services Manager Mat Northway affirmed that it would.

President Simpson asked whether EWEB would shore up the budget with rates if total expenditures exceeded the five percent. Mr. Northway responded that they would see ahead of time how much it would use. He said the financial difference over five years, while not insignificant, was small comparatively. He noted that the five percent of expected revenues actually surpassed what staff projected they would need.

Vice President Farmer surmised that this approach, wherein they were basically approving a budget each year, would allow staff to review what was actually being achieved. Mr. Northway responded that he could conceivably foresee staff coming back before the Board with a budget adjustment up or down. He said they still wanted to have a five-year plan.

In response to a question from Vice President Farmer, Mr. Lorenzen said there had been no assumption of any new industry coming in. He explained it just assumed there would be a natural growth in sales to industrial customers within the existing customer base. He averred that the savings potential in industrial customers arose when the customer made an improvement in a product line, which could be qualified as new construction. He cited, as an example, that if Weyerhaeuser changed out a process line it would present an opportunity for EWEB to work with them to ensure that it was built to be efficient. Mr. Northway added that the industrial sector was the most difficult to predict. Mr. Lorenzen related that they had data for commercial growth, such as how many new buildings were being constructed.

Vice President Farmer felt that the ability to keep the conservation acquisition on an “even keel” would not be an easy task. Mr. Northway responded that EWEB could at least ensure it was ready and that they would know who those customers were.

Commissioner Brown asked how an anomaly, such as a hospital or the University, which could do million dollar projects but had its own heat source, would play into calculations. He asked if staff was exempting those dollar amounts when doing the calculations. Mr. Lorenzen replied that large customers still represented a lot of electrical consumption.

Mr. Lorenzen outlined the public participation process staff had planned, with the help of Public Affairs Manager Marty Douglass, External Communications Coordinator John Mitchell, and other Public Affairs staff, beginning with the *Stakeholder Consultation*. He stressed that the consultation included major customers, small commercial customers, and residential customers.

HEADQUARTERS MASTER PLAN

Property Manager Mark Oberle reported that staff had been working hard since the signing of the Memorandum of Understanding (MOU) between the City and EWEB to put together a project plan and a project team. He explained that the project team included a steering committee, which included Employee, Customer & Community Services Director Debra Smith, Treasurer Jim Origliosso, and General Manager Randy Berggren, a core team made up of employees in key positions including Key Accounts Manager Mike Logan, External Communications Coordinator Lance Robertson, and himself. The latter also included a consultant from Lane Council of Governments (LCOG), Kathi Wiederhold, and Associate Planner from the Planning and Development Department of the City of Eugene, Nan Laurence. He noted that Ms. Wiederhold would be phasing out as the consultant phased into the work. He added that EWEB's Lobbyist Jason Heuser was also helping with the process.

Mr. Oberle highlighted the *Riverfront Master Plan Process Project Outline*, which included schedules, tasks, and the budget. He noted that Commissioner Brown had called out that the goals and objectives had not been prioritized and explained that this had been deliberate. He underscored their desire to create community support for the Riverfront Master Plan. He said EWEB would have to comply with the Downtown Plan and relevant city codes.

In response to a question from Vice President Farmer, Mr. Oberle clarified that there were different types of application processes for land use applications and the Master Plan by itself could be a Type II application. He said because EWEB would also be seeking a zone change, a lot line adjustment, and a Metro Plan amendment, it could be bundled together as a Type IV application.

Commissioner Brown asked what the "educational aspect" of connecting to the river would be in layman's terms. He wondered if it would be an unfunded liability or whether it would truly be an educational component. Mr. Oberle replied that he did not know what that would mean at this point; it would become clarified through the process. He said liability and ongoing maintenance were among many items that would be looked into as they arose.

Mr. Oberle reported that the *Project Launch* segment in the process outline had been completed and staff was now working on the *Community Advisory Team Selection*. Once the Community Advisory Team (CAT) was on board, the next steps were to select the land use consultant, engage in a public involvement process, and develop the draft Master Plan.

Commissioner Brown asked how it was planned to be brought before the community in order to be proactive. He underscored the importance of having this plan in place so that EWEB could reach the largest segment of the population, and not just a small segment that often provided input.

Mr. Oberle responded that thus far staff had discussed placing *Register Guard* ads and placards on Lane Transit District (LTD) buses. Mr. Robertson related that the MOU called for four open houses, which he felt should be the minimum requirements. He added that the process still needed to be refined.

President Simpson echoed Commissioner Brown's concern that the information is physically brought out so that the larger community fully understood the process.

Ms. Wiederhold reviewed the *EWEB Riverfront Master Plan Community Advisory Team Purpose and Responsibilities Statement*. She stressed that she and the staff team had looked at the direction in the MOU to ensure they kept on that track.

President Simpson asked if there were any rules or guidelines included in ground rules to dismiss someone. Ms. Wiederhold replied that they had talked about it and thought there should perhaps be language included that indicated that members served at the pleasure of the committee. Mr. Oberle added that removing someone would initiate a process to appoint someone else and provide him or her the information to fill that spot. He related that the staff team had discussed the possibility of including alternates in the recruitment process but had decided to focus on other elements first.

Continuing, Ms. Wiederhold discussed the application for the CAT and the cover sheet that was to accompany it. She highlighted the selection criteria contained in the application and the questions applicants should answer. She noted, regarding the latter, that there was a question that sought to give a sense of how a person got along as a member of a group.

Mr. Oberle offered the draft *Ideal Applicant Statement* for Board consideration. He left it up to the Board as to whether it should be included or not.

Vice President Farmer observed that the section *Who can apply* conflicted with the MOU as it invited any EWEB customer or anyone with a demonstrated interest and the MOU explicitly specified that the members had to be City of Eugene residents. Mr. Oberle noted that Commissioner Brown had also brought this to staff's attention.

President Simpson recommended the verbiage that conflicted with language in the MOU be deleted.

Vice President Farmer read from the MOU, which specified that the CAT members should be citizens.

Commissioner Brown noted that the word 'citizen' was considered to be non-inclusive and suggested the word 'civilian' be substituted for it. He felt that people on the CAT should have a vested interest given that they were engaging in planning for a community asset. He added that it would be good to see what the City of Eugene was going to do.

Ms. Smith pointed out that there were three places that reference was made, the one that the Commissioners had called out, boxes an applicant could choose to check that indicated city residency and whether they were an EWEB customer, and language in the *Ideal Applicant Statement* that indicated a person with a strong interest in the riverfront property could participate. She related that Ms. Laurence believed the City would support requiring city residency. She thought they could modify the instruction to say 'any EWEB customer or resident of Eugene.

The Board indicated they were amenable to this.

Vice President Farmer understood the value of providing multiple boxes for people to check under question three on the application, which sought to have people indicate categories that reflected the perspective they would bring to the committee, but felt every option potentially had an opposite option which was then excluded. He cited as an example that if there was a box that indicated a person was a senior citizen, then why should there not be a box that indicated someone was a younger person. Regarding the question that was supposed to indicate how well someone worked with others, he averred that he would like to see some questions that showed where a person's expertise lay. He wanted to see some qualifications beyond just being able to get along.

Commissioner Brown asked if there was an ability to have a conflict of interest in the process and, if so, how would it be addressed? Ms. Wiederhold ascertained from Commissioner Brown that he was suggesting that this be addressed up front.

President Simpson requested that the portion that indicated demographics be removed. He did not want to consider this when weighing applicants and also felt it would simplify the form.

Mr. Oberle remarked that the box sought to ensure there would be diversity in the group. President Simpson responded that he wanted only to look at what applicants would bring to the process.

Ms. Wiederhold suggested that the portion that indicated whether a person was disabled be retained so that any accessibility issues could be addressed. President Simpson responded that it was not his intent to exclude this information. He affirmed the Board's commitment to accessibility.

Mr. Oberle suggested changing the first question so that instead of asking an applicant why they were interested in serving on the CAT, it asked what area of expertise the applicant brought to the process. He asked if this would address Vice President Farmer's concern. Vice President Farmer responded that he thought both questions could be on the application. He felt that knowing why a person was interested in serving was valuable.

Vice President Farmer asked how EWEB's budget compared with the City's budget. Ms. Laurence responded that the City was contributing staff time and would contribute to the project, but had not budgeted any money to help pay for the consultant, which was being hired by EWEB.

President Simpson adjourned the meeting at 7:30 p.m.

Assistant Secretary

President