

EUGENE WATER & ELECTRIC BOARD
REGULAR BOARD MEETING
EWEB BOARD ROOM
MAY 20, 2008
7:00 P.M.

Commissioners present: John Simpson, Ron Farmer, John Brown and Mel Menegat.

Others present: Randy Berggren, Jim Wiley, Debra Smith, Dick Helgeson, Bill Welch, Jeannine Parisi, Dick Varner, Tom Buckhouse, Brenda Sirois, Jay Bozievich, Marc Anderson, Marty Douglass, Terry Bequette, Eric Hiaasen, Dan Bedbury, and Krista Hince of the EWEB staff; Ruth Atcherson, City of Eugene minutes recorder; and members of the public.

President Simpson 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

Eric Jungjohann explained that he was one of nine signers on the letter submitted to the Commissioners regarding the steam utility. He said they were encouraged that EWEB was looking at 2010 to make a decision on the steam plant. He related that he owned the Eugene Professional Building, which was 64,000 square feet, and the Schaeffer Building, which was 36,000 square feet. He stressed that knowing what would happen with the steam plant and when was critical. He had heard talk of continuing the steam generation facility but as each steam customer dropped off the cost went up for those that were left. He noted that a building that was being remodeled was planned to include gas-fired boilers. He underscored that “knowing the unknowns would be good.” He felt that having a package to aid the “bottom line” cash flow that would come with the changes in the steam utility would be helpful.

APPROVAL OF CONSENT CALENDAR

Minutes

- 1a. February 19, 2008, Work Session
- b. February 25, 2008, Special Board Meeting

Contracts

2. Cascade Automation, Inc. – Service and Repair of Foxboro Control Systems and Associated Equipment – Steam Division - \$50,000
3. Corrpro Companies, Inc. – Condition Assessment of Hayden Bridge Raw Water and Finished Water Pipeline – Electric Division - \$74,020
4. TriAxis Engineering, Inc. – Engineering Design Services – Electric Division - \$149,000

Roosevelt Site

5. Roosevelt Project – Wetland Mitigation – for the General Manager to execute a Declaration of Covenant and Restriction related to wetland mitigation and protection on the Roosevelt property and to purchase credits in the City of Eugene West Eugene Wetland Mitigation Bank.

Resolution

6. Resolution No. 0824. Proposed Extension/Revised Price of Tieton Contract Buyout.

President Simpson pulled Item 1b.

Commissioner Brown, seconded by Vice President Farmer, moved to approve the Consent Calendar with the exception of Item 1b. The motion passed unanimously, 4:0.

ITEMS REMOVED FROM THE CONSENT CALENDAR

President Simpson offered the following correction to the minutes from the Special Board Meeting held on February 25, 2008:

Page 2, paragraph 8: “President Simpson asked if there was signage that suggested lower speeds or a curve ahead, especially from the ~~west~~ east.”

Commissioner Brown, seconded by Vice President Farmer, moved to approve the minutes from the Eugene Water & Electric Board Special Meeting of February 25, 2008, as amended. The motion passed unanimously, 4:0.

ITEMS FROM BOARD MEMBERS

Commissioner Brown ascertained from President Simpson that minor minutes corrections could be submitted electronically.

President Simpson reported that he would be traveling to Montana for the Northwest Energy Coalition (NVEC) annual meeting in Vice President Farmer’s place.

Commissioner Brown related that it had been brought to his attention at the McKenzie Watershed Council (MWC) that a large diesel tank that was single wall was very close to Clear Lake. He said the tank could be subject to vandalism, fire, or another accident and 500 gallons of diesel fuel could go into the lake, which was located at the McKenzie River headwaters. He was concerned as this could potentially endanger EWEB’s source for drinking water. He recommended that if the government would not pay to move the tank EWEB should loan Lane County the money to do so. He averred that it was too great of a risk to the water resource to leave the tank in place.

Mr. Berggren agreed to follow up on this.

CORRESPONDENCE

General Manager Randy Berggren reported the following items of correspondence:

- A joint emergency response event had been conducted with the Portland Water Bureau – employing an earthquake disaster drill. The Portland employees helped fix a water main break that had occurred when the drill was being conducted and the local press covered the event. In the fall EWEB planned to take a complement of employees to Portland for a similar event there.
- Half of the Hayden Bridge plant was currently out of service for seven days in preparation to install the new backwash system.
- Permits for the Roosevelt project were in place and the General Manager had signed off on the Army Corps of Engineers (ACOE) permit.
- Bids had been submitted for the additional treatment capacity at the Hayden Bridge plant; the initial analysis indicated that the bids were lower than the first round of bids.
- A copy of the letter cited by Mr. Jungjohann was included in Board packets.
- The confidential quarterly litigation report was included in Board packets. He noted that he hoped there would soon be no more litigation related to the energy crisis.
- A memorandum from EWEB Engineer Marc Anderson updating the Board on the boat landing project that was provided to the Board.
- Board packets also included a memorandum from EWEB Purchasing/Risk Manager Ed Case providing background on EWEB's 2008 commercial insurance program – a presentation on this was planned for early 2009.
- A copy of a letter to Senator Gordon Smith regarding the Clear Lake headwaters and the diesel tank was included in Board packets. He noted that the letter had been sent to Representative Peter DeFazio as well.
- A draft public process proposal regarding the work proposed for Spring Boulevard had been provided to the Board by EWEB's Water Engineer Jay Bozievich and Community and Local Government Outreach Coordinator Jeannine Parisi.

President Simpson noted that he had requested that the Public Relations Division to provide copies of press releases to the Board. He felt it was helpful to have a “heads up” on issues. He related that two recent issues had been in relation to the effects of metal theft on the utility and the clutter of signs on utility poles left by people with yard sales and other events.

BOARD AGENDAS

Mr. Berggren highlighted the *Eugene Water & Electric Board Agenda Report* dated *May 20, 2008*. He noted that a new Commissioner would be given the Oath of Office at the next meeting; post the election that was currently underway.

Vice President Farmer asked if the July 1 meeting was anticipated to be filled out. Mr. Berggren thought it would be possible to cancel the meeting but there should be a brief meeting at some point to keep the business agreements going.

Vice President Farmer, seconded by Commissioner Menegat, moved to cancel the meeting scheduled for July 1, 2008. The motion passed unanimously, 4:0.

NEIGHBORHOOD LEADERS COUNCIL – PUBLIC INPUT

Bob Kline, chair of the Neighborhood Leaders Council (NLC), stated that he had served on the NLC EWEB subcommittee, which had been formed at the suggestion of the Mayor in October after the failure of two EWEB transmission towers because of falling trees. He noted that the house that had been affected had cost \$300,000 to repair. He said NLC members had also considered other issues that had caused public interest in its subcommittee and these included undergrounding power lines, keeping the College Hill Reservoir open to the public, fish ladders for the Trail Bridge dam, and sustainability. He stated that the subcommittee had studied the issues and had made recommendations in 2007, which had been endorsed by seven organizations and the NLC. It was their intention to review the issues and their recommendations.

Mr. Kline related that he had witnessed six transmission lines as they fell in his backyard. He noted that EWEB had indicated that the three trees that had fallen on the power line were not on EWEB property. He said City Councilor George Poling had provided a photo map that indicated otherwise. He felt EWEB had not performed requisite routine inspections. He asserted that the poles had been “quickly disposed of” and this had prevented a detailed failure analysis by an independent organization. He averred that EWEB had refused to relocate towers because of the cost, estimated to be \$300,000. He reviewed the complaints that had previously been made regarding the incident.

Commissioner Menegat asked if the NLC leaders intended to get to the public input process. Mr. Kline responded that they would.

President Simpson reminded Mr. Kline that the Board had read this information in detail and advised him to structure his time before the Board accordingly.

Mr. Kline assumed that the Board had then read about a tower which the neighbors insisted was bowed, and had subsequently been replaced at the direction of the Board.

Continuing, Mr. Kline discussed three of the four recommendations:

- That EWEB complete an engineering analysis and provide a report of any facility or equipment failures that could affect the public safety, utilizing external consultants when necessary.
- They requested that EWEB review its safety procedures and report safety issues

involving the public.

- They requested that EWEB develop procedures to clean up a repair in a “fairly quick” manner – he averred that there was still asphalt along Quail Run that had been damaged by heavy equipment and had not yet been repaired.

Carlos Barrera, Friendly Area Neighbors, spoke about the College Hill Reservoir and the fish ladders. He said even though those issues were essentially resolved through compromise, he wondered how much time could have been spent by EWEB staff more proactively if there had been no defense of the problems. He averred that the handling of these issues led to the formation of the subcommittee. He asserted that if EWEB had the subcommittee’s first three recommendations in place the issues would have been circumvented. He listed those recommendations:

- That EWEB form a public advisory group.
- That EWEB create an ombudsperson to directly deal with issues when they arose.
- That EWEB develop a procedure for the public to address customer and group complaints.

Stephen Baker, West University Neighbors, said the seventh recommendation was to request the City of Eugene to adopt a 30 to 50 year plan to underground electrical lines. He averred that the poles represented a 19th century system and were old. He observed that old poles and old trees tended to fall. He declared that undergrounding utilities would make neighborhoods safer and would reduce maintenance costs. He asserted that EWEB contracted out its tree trimming. He said the Public Utility Commission (PUC) reported that the most common failures were a result of falling trees caused by wind storms.

Mr. Baker stated that the other issue they wished to speak to was sustainability. He conveyed their recommendation to update EWEB’s “official environmental policy.” He alleged that EWEB had not updated its policy in ten years. He declared that EWEB should consider the issues of today: “climate change, gas emissions, policies for continuous improvement to lessen environmental impacts and enhance sustainability, and to also look at implementing the triple bottom line analysis in decisions.”

Mr. Barrera said the City Council had recognized the needs of the public and developed five goals in that regard and listed four of them:

- Safe community;
- Sustainable development;
- Accessible and thriving culture and recreation;
- Effective, accountable municipal government;

He averred that EWEB was not in alignment with the city's goals. He conveyed the NLC belief that EWEB needed to correct this by "building a solid partnership with its ratepayers." He felt Mr. Berggren was "ahead of the game" with his proposal to adopt the American Public Power Association (APPA) guide for public involvement. He declared that implementation of the APPA guidelines and the NLC's recommendations would "produce a new EWEB responsive to the public and the demands of [its] changing environment."

President Simpson expressed appreciation for the NLC representatives' willingness to work with staff to identify the policy changes. He underscored that the city populace owned EWEB. He felt that all of the ideas suggested had merit and he looked forward to forming a collaborative relationship with the NLC. He was pleased with the advances that EWEB had made in some of its work, which included significant advances in power pole replacement and a climate change policy that had been developed. He said EWEB policies were always up for review and refinement. He noted that the only dispute resolution process EWEB currently had was in regard to people with billing issues.

Commissioner Brown noted that he had served on the NLC. He had understood that the conversation would be about how to better communicate, but what had been given was direction to underground utility lines and other things. He stated that EWEB currently spent \$300,000 per year to underground lines. He said the tree removal policy had been escalated. He stressed that EWEB was proactive when complying with the PUC. He emphasized that EWEB had to be stewards to the ratepayers and had spent \$78,000 to restore the land next to Quail Run. He hoped to foster better relations and would accept the recommendations, but he would not accept that EWEB did not have the best employees in the world.

Mr. Baker averred that \$300,000 was not a long-term plan to underground utilities.

Commissioner Brown remarked that EWEB was faced with 600 miles of water mains to replace. Mr. Baker countered that he wanted EWEB to develop a plan and he did not believe that EWEB was doing that by budgeting \$300,000 per year. He said the reason this had come up in their neighborhood was because all of the alleys in his neighborhood had been paved, at the city's expense, and the neighborhood had tried to get EWEB interested in undergrounding while this was going on and could not get traction.

Commissioner Brown pointed out that the residents and not the city had paid for the paving through assessments.

Vice President Farmer thanked the NLC representatives for all of the work they had put into the presentation. He stated that the Board served as a policy board and were not professional power people. He said sometimes issues did come to the Board but for the most part they tried to leave the operations to the professional staff.

Vice President Farmer said he was interested in hearing solutions as opposed to complaints

from groups like the one before them. He felt they had taken some good steps but he would ask them to look at the response that staff gave around some of the issues they had raised and to return with something more concrete. He cited undergrounding as an issue he would like to hear solutions offered for. He remarked that he would “love to wave a wand” and make it happen. He said beyond the safety issue, the esthetics would be “wonderful.” He related that it would cost about \$1 billion to underground all the lines in the city and if this were done over a 50-year window it would be a \$3 billion cost. He pointed out that this equaled \$60 million per year. He stressed that EWEB could not do this and cover the costs of relicensing the Carmen-Smith facility, building the Roosevelt project, replacing the infrastructure of the water system, and all of the other costs involved in keeping the poles up and providing electricity. He said if the NLC representatives really wanted the undergrounding to be a top priority he would ask them to return with how much they thought rates should be raised to pay for it or what cuts should be made to EWEB’s infrastructure or services to offset the cost.

Mr. Kline said it seemed to him that the real issue was that there did not seem to be a good process for garnering public feedback. He thought it would be nice if the public was involved in writing the process. He wanted EWEB to come up with some good ways of learning how to work with the public.

Vice President Farmer said they had looked at the NLC’s suggestions and had provided feedback. He cited as an example the recommendation that they needed to work more with the public. He stated that no one could point to a major project the utility had undertaken in which an advisory group had not been appointed. He pointed out that one was being convened at present. He asked that they look at the feedback the Board had provided and to determine what was solving the problem and what was not solving the problem and to try to keep working toward progress.

Mr. Barrera commented that they were not interested in looking at the mechanics of how EWEB did its job. He felt there was policies and procedures that needed looking at. He averred that when the Quail Run house had been destroyed the owner of the house had not received an apology, an explanation, or compensation. He believed that apologies reduced litigious responses to such events.

Vice President Farmer remarked that Mr. Barrera had not said anything he did not agree with.

Mr. Barrera acknowledged the Board’s desire for solutions but he felt the Board had not been responsive to the 22 suggestions members of his neighborhood had provided to them regarding the College Hill Reservoir. He reiterated his request for the formation of a committee of citizens.

Community and Outreach Community Coordinator Jeannine Parisi surmised that what was being expressed was a desire for better communication and relationship building. She had laid out a few next steps that she thought, if the group was amenable to it, could put them on a path to further this. She suggested that the NLC act as a sounding board for when EWEB was launching new public engagement processes.

President Simpson was very supportive of this style of approach because it was collaborative and respectful on both sides. He felt the NLC could be a resource to EWEB and could help to refine the public process going forward.

Commissioner Menegat welcomed the involvement. He noted that EWEB had been following the APPA public involvement process. He said it included a matrix regarding finding the interest groups and how to get the appropriate type of involvement and what was expected of it. He hoped that anything that would come forward would remain within those basic parameters rather than moving into something different and potentially ending up with conflicting types of policies for public input.

Mr. Kline said the NLC representatives were largely focused on the issues they had listed earlier: the fish ladders, power pole failure, and the reservoir. He felt those were the things that brought in public involvement.

President Simpson thanked the neighborhood leaders for speaking to the Board.

EWEB'S INTEGRATED ELECTRIC RESOURCE PLAN UPDATE NO. 3 – BPA PRODUCTS

Power Management and Planning Manager Dick Varner provided a power point presentation, along with Energy Resource Analyst Brenda Sirois, entitled *New 20 Year BPA Contracts*, copies of which were provided to those who were present.

President Simpson asked what was meant by “Tier 1 augmentation.” Mr. Varner replied that the Bonneville Power Administration (BPA) had indicated it would look at what the customer loads were in 2010 and what the capabilities of the Federal Base System (FBS) were. He explained that to the extent there was a deficiency in the FBS, the BPA would purchase enough extra power to make that equivalent to begin the new contract. Ms. Sirois clarified that they would only purchase up to 300 average mW. Mr. Varner said what EWEB was projecting was that there would probably be enough BPA power to serve its basic Tier 1 entitlement.

President Simpson asked why the BPA would not adjust the Tier 1 allocations to match the FBS without any augmentation. Mr. Varner responded that the BPA had determined this to be a politically untenable solution because it would “throw a whole bunch of utilities” into the market all at once.

Ms. Sirois remarked that the Tier 1 and Tier 2 numbers were complicated. She said a lot of the numbers were based on forecasting resources for which it was not exactly known how they would pan out. She related that previously the amount of the entitlement EWEB had from the BPA had a direct relationship to EWEB's requirements for power, but now there would be a limit. She showed a graph of what EWEB was projecting its BPA Tier 1 allocation, approximately 275 average mW.

Vice President Farmer observed that EWEB would be "short day one." Mr. Varner clarified that EWEB would be short on its allocation from the BPA.

In response to a question from Vice President Farmer, Mr. Varner affirmed that if the BPA did not have enough power to meet the contract number it would purchase that power and pass the cost along to its utility customers at the Tier 1 price.

Ms. Sirois explained that each BPA customer would have a contract high water mark, a function of what their actual loads were in 2010 and a percentage of the FBS. She stated that what EWEB was eligible for from the BPA in Tier 2 power was the amount of load EWEB required above its Tier 1 allocation. She said once the forecasted contract high water mark was established it would be set in a 20 year contract, though it would be revisited every two years.

Vice President Farmer asked if this was a cost adjustment or a volume adjustment. Mr. Varner replied that it was a volume adjustment. He explained that if an FBS plant went out of service and the FBS experienced a 1,000 mW drop in output, EWEB would then take a 40 mW cut in its allocation.

Vice President Farmer asked if the allocation would then increase should another facility be added to the FBS. Mr. Varner responded that it was far more likely that the FBS would lose a facility than gain one.

President Simpson asked why the Tier 2 power was limited. Ms. Sirois replied that even under the current requirements EWEB could not have more power than its net requirements. She thought one motive behind this was to have utilities meet load growth with their own resources and planning.

Ms. Sirois reviewed a graph that delineated *EWEB's Forecasted "Gap."*

President Simpson pointed out that the gap only referred to the FBS.

Commissioner Brown asked if the graph included the Harvest Wind project. Ms. Sirois replied that it did not, but it did include the Raft River Geothermal project. In response to a follow-up question from Commissioner Brown, Ms. Sirois said the Harvest Wind project would shift the amount of power up by 5 average mW.

Ms. Sirois reviewed the *BPA & EWEB Milestones*. She said staff was trying to position the commissioners to fully understand the BPA contract and products as they would be looking to sign new contracts at the end of 2008. She underscored the seriousness of this matter.

Mr. Varner said Mr. Helgeson was working with the BPA to revise the language in the contracts to be something that would be more like a real power purchase agreement EWEB would sign from another party and not just something dictated by the BPA.

In response to a question from Vice President Farmer, Mr. Varner confirmed that the last board decision in the list, the commitment to the BPA on how EWEB would serve its load that was above the high water mark for Fiscal Years (FY) 2012 to 2014, was binding. He explained that EWEB had to tell the BPA by late 2009 whether the utility would be taking any of the BPA's Tier 2 products starting in 2011. He underscored that EWEB would be having more discussion over the next year and a half on how EWEB wanted to serve its resource gap.

Ms. Sirois reviewed the product options, the load following product, the Block product, and the Slice/Block product, noting that they had the same names but had different product attributes. She provided graphs that compared the products and how EWEB's load would be met. She stressed that the forecast was staff's best guess. She pointed to a graph that had been compiled that delineated the deviation between the planned and actual loads, which indicated that the deviation could be extreme.

Vice President Farmer observed that EWEB had substantially higher forecasted power usage than actual power usage during the energy crisis and asked what had caused this. Mr. Varner attributed it to two things: a recession and that EWEB had paid its customers a significant amount of money to reduce their load.

Vice President Farmer asked, extraordinary events aside, if the forecast missed its mark in an ordinary recession. Mr. Varner replied that the load forecast would tend to be high in a recession. He said the weather could also dominate what one would see in general load trends. He pointed out that a cold March or April could end up being a much bigger impact on the annual load than the one percent load growth that was ordinarily taken into consideration.

President Simpson asked if EWEB had to "somehow lean on" the system when actual loads were higher than forecasted loads. Mr. Varner responded that, as a Slice customer, EWEB had three options: it could turn to its own resources but EWEB's resources had daily shaping and not much flexibility to it, it could turn to the Slice product, and failing those two options EWEB would have to go out on the market and purchase power.

President Simpson asked what would happen in the opposite situation; would EWEB be able to sell the leftover power. Mr. Berggren replied that EWEB would either put it on the market or store it.

Mr. Varner reviewed the product characteristics. He said if a utility was a load following customer the BPA would meet its real-time load uncertainty, flexing its system to cover what was going on with the load. He stated that the BPA would have control over the dispatch of the FBS resources and the utility was only controlling its resources to ensure it would deliver the amount of power to its load that it had committed to the BPA to deliver to its load. This meant that if the utility's resources were over performing it would sell the excess in the market and if its resources were under performing it would be forced to purchase power in the market because it was a commitment to the BPA that the utility would buy a certain amount of power every day.

Mr. Varner stated that if a utility was a Block customer the BPA would give it a firm amount of power and the utility was responsible for addressing both what its load uncertainty was and what its resource uncertainty was.

He explained that the Slice/Block product made it so the utility would have some flexibility in getting its power from the BPA, given the theoretical capability of the FBS.

President Simpson ascertained from Mr. Varner that EWEB could not sell any of this power. Mr. Varner clarified that EWEB could not tell a BPA operator that it was operating a generator, but EWEB could tell them that the utility wanted to get a certain amount of power out which was within the rights of what that theoretical capability of the system was; and then the BPA would decide whether to purchase the power or run a generator but the power would be provided.

Mr. Varner said in the Slice/Block EWEB was responsible for everything – how to meet load and how to run its share of the BPA system. Mr. Berggren noted that this was how EWEB currently ran the utility.

President Simpson asked what the current ratio of Slice versus Block was on a volume basis. Mr. Varner replied that it was approximately 60 percent Slice and 40 percent Block. He noted that EWEB was originally closer to 70:30, but when the pre-subscription contract had converted the Block and when EWEB had received the step-up in 2006 for its load growth it moved more toward the 60:40 split. He added that the maximum a utility could take was a 70:30 split.

Mr. Varner discussed the *Fiscal Risks & Benefits* of the products.

President Simpson asked if the Slice/Block product was not firm. Mr. Varner replied that firmness was the high probability that it would happen but it was not a guarantee. He said when looking at a secondary sales dimension, in a load following product the BPA would sell the secondary power from the FBS and credit it against the utility's rates. This was also true for the Block product. He stated that in a Slice/Block product, however, the utility would have the

opportunity to sell the secondary power from the Slice portion if it “showed up.” He noted that if the secondary power did not show up, then the utility would see the loss of revenue directly.

Regarding the market risks and reserves, Mr. Varner explained that in a load following product the BPA would take the financial risks and would be responsible for reserves to maintain risk mitigation. He clarified that the BPA would determine what balance it needed to maintain and the utility would pay whatever the BPA said it should pay. He said in the other case the Board would determine reserve levels and the utility would charge customers accordingly. He related that as there were credit events or generation excesses or deficits, if EWEB was in a Slice relationship it would see those immediately but if EWEB was in the load following or Block relationship the BPA would roll it into its system over a two year period and it would be factored into the cost for the subsequent rate period. He commented that as best EWEB could tell the BPA had not set the products forward in a way that would overtly bias a utility to pick one over another, but staff intended to do more detailed modeling to determine whether there was something associated with one of the products that made it stand out for EWEB. At this point, he said, staff felt EWEB could buy any one of the products. He noted that some utilities, such as the one in Tacoma, were not eligible for the load following product.

In closing, Mr. Varner stressed that the critical items between the present and August were the contract templates, the tiered rate methodology, and another update to what EWEB’s share of the FBS would be or what the Tier 1 entitlement would be. He said these would be the focus of extensive analysis and modeling, in order to gain some insight into the costs and risks and the operational flexibility and tradeoffs between the products. Staff hoped to be able to return in September with a preliminary view of which products would be best for EWEB.

Vice President Farmer asked what the difference was between this decision and the last one the Board had to consider. Mr. Varner replied that the last time staff had a better sense of what the products were going to cost than they currently did and they were in a situation in which EWEB was a little long.

Vice President Farmer asked if staff would have done anything differently considering the decisions that had been made the last time. Mr. Varner replied that he did not know that a different choice would have been made. He said if they had been able to forecast four bad water years in a row they might have made a different choice.

Vice President Farmer asked how staff intended to bring the new commissioners up to speed. Mr. Varner responded that they hoped to be able to arrange to spend three or four hours with them providing the grounding the Board had received over three or four meetings.

Mr. Varner said EWEB would not know what the price of any of the products would be before the contracts were signed. Mr. Berggren added that EWEB would know that the Tier 1 power from the BPA would be substantially cheaper than anything out on the market.

ADJOURNMENT

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President Simpson adjourned the Regular Board Meeting at 8:55 p.m.

Assistant Secretary

President