

EUGENE WATER & ELECTRIC BOARD  
REGULAR BOARD MEETING  
EWEB BOARD ROOM  
JUNE 17, 2008  
7:30 P.M.

Board Members Present: John Simpson, President; Ron Farmer, Vice President; John Brown, Mel Menegat, Bob Cassidy, Commissioners.

Others present: Randy Berggren, Dick Helgeson, Tom Buckhouse, Terry Bequette, Mel Damewood, Patti Boyle, Mark Oberle, Mark Freeman, John Yanov, Lance Robertson, Wally McCullough, and Krista Hince of the EWEB staff; Rich Cunningham, Commissioner-elect; Ruth Atcherson, City of Eugene minutes recorder.

President Simpson convened the Regular Meeting of the Eugene Water & Electric Board (EWEB).

#### **AGENDA CHECK**

There were no changes to the agenda.

#### **PUBLIC INPUT**

**Norm Carter** provided pictures of his property. He said the EWEB canal had flooded his property. He related that the canal had been “leaking” into his property for “quite a few years.” He averred that if EWEB was responsible for this leak it should be required to buy up the property or fix the leak. He had been dissatisfied with his discussions with staff as he felt nothing had been done to mitigate his problem. He alleged that the leak was worse than ever and water was now under his barn and had ruined the foundation. He intended to hire a lawyer. He related that his family had lived on the river for generations and had never experienced so many problems.

President Simpson thanked Mr. Carter for his testimony. He asked Mr. Berggren to brief the Board on this issue. General Manager Randy Berggren indicated that he would provide the Board with a chronology of events.

#### **APPROVAL OF CONSENT CALENDAR**

##### **Minutes**

1. There were no minutes for approval at this time.

##### **Contracts**

2. Accountemps – Temporary Services in Accounting – Fiscal Services – Corporate Services Division.
3. Black Box Network Services (formerly known as B & C Telephone Link) – Information Services – Corporate Services Division.
4. Brattain International Trucks, Inc. – International Ten-Yard Dump Truck – Shop – Corporate Services Division.

5. Certified Security Solutions (CSS) – Document Management System Consultant – Office Systems – Corporate Services Division.
6. Fluid Conservation Systems (FCS) – Water Leak Detection – Water Division.
7. Goebel Engineering and Surveying, Inc. – Gillespie Butte Pump Station Relocation – Water Division.
8. High Line Corporation – Human Resource Information System Project Implementation Planning Session – Human Resources – Employee, Customer & Community Services Division.
9. JACO Environmental – Refrigerator Recycling Program – Energy Management Services – Power Resources Division.
10. Ken Beeson – Roosevelt Building Project – Roosevelt Project Management Services – General Manager’s Division.
11. MWH Laboratories, A Division of MWH Americas – Water Quality Testing – Water Division.
12. OBEC Consulting Engineers – Engineering Services for Hayden Bridge Filter Piping – Water Division.
13. Pure Access Coaching – Leadership Coaching – Human Resources – Employee, Customer, and Community Services Division.

**Memorandum Of Understanding**

14. TEREX Utilities West – Terex Equipment Purchases – Shop Facilities – Corporate Services.

**Intergovernmental Agreement**

15. USDA Forest Service, Willamette National Forest – Carmen-Smith Recreation Complex Maintenance – Electric Division.

**Resolution**

16. Resolution No. 0829 – June 2008 Transmission Rate Proposal – A rate increase in EWEB’s transmission tariff is being proposed; the primary rate would increase from the current \$.74 per kW/month to \$.88 per kW/month effective with July, 2008, bills.

Commissioner Menegat, seconded by Commissioner Cassidy, moved to approve the Consent Calendar. The motion passed unanimously, 5:0.

Commissioner Brown questioned why the partition involved in Item 7 cost \$30,000. Mr. Berggren replied that he would look into it.

Commissioner Cassidy commented that he would have thought the General Manager would handle Item 10, the contract with Mr. Beeson. Mr. Berggren responded that the Board was the body that governed contracts.

Vice President Farmer asked that a summary of the Consent Calendar rules be provided to Commissioner Cassidy. Mr. Berggren noted that a new commissioner orientation would be scheduled soon.

## **ITEMS REMOVED FROM THE CONSENT CALENDAR**

There were no items removed from the Consent Calendar.

## **ITEMS FROM BOARD MEMBERS**

Commissioner Menegat noted that the City Council newsletter had included an article regarding a planned outage in the Skinner's Butte area that had affected 94 residents in that area. He related that a resident had contacted the Campbell's Senior Center and Key Account Program Manager Mike Logan had helped to organize a neighborhood dinner at Lamb's Cottage.

Mr. Berggren commended Mr. Logan for taking the initiative to barbecue for the neighborhood, noting that there had been a history of tension between it and EWEB. Commissioner Menegat echoed this, as did President Simpson.

Mr. Berggren indicated he would provide Commissioner Cassidy a schedule of the Citizen Advisory Team (CAT) meetings, at his request.

Commissioner Brown said EWEB had bought a house nine months earlier and had donated it to be burned down. He asked if there were any plans to clean up the remaining debris. Mr. Berggren responded that he would look into it.

Commissioner Brown related that allegations had been made at a recent McKenzie Watershed Council (MWC) meeting that Roundup had been used above the water intake on the McKenzie River. Mr. Berggren agreed to find out if this had happened. Commissioner Brown thought he would find that a grant had been made and some money had been exchanged but he was not certain what it had been used for.

Commissioner Brown reported that state lands in the middle of the McKenzie River had been clear-cut and there was no agency to report it to. He expressed his unhappiness that some members of the community thought they could just go and cut trees on state-owned lands in the watershed. He said it was the second year he had observed cutting on an island just above McKenzie Bridge. He averred that someone needed to take the lead and ask questions about it.

President Simpson reported that a constituent had tried to contact the Commissioners through email and no one had received it. He tested the email and determined that there was a Web site issue that needed to be addressed. He did not want constituents to conclude that EWEB was ignoring them.

## **CORRESPONDENCE**

Mr. Berggren reported the following items of correspondence:

- The City Council had appointed four members of the CAT and the process was planned to start with a kickoff on July 10.
- A public participation process was planned for the Spring Boulevard area as a reservoir was planned to be constructed to mitigate some service reliability issues. Two sessions were planned for June 25 and July 17.

President Simpson indicated his intent to attend the first one.

Mr. Berggren continued his report:

- A memorandum was included in Board packets listing the ground rules for the CAT – input from commissioners was welcome.
- BRING Recycling sent a letter of appreciation for EWEB’s help in building its new center and its move.
- Board packets included a memorandum from Treasurer Jim Origliosso on the recent bond rating EWEB had attained as well as background information on the rating agencies.

Commissioner Menegat observed that the Board’s governance and its willingness to support the utility with rate actions was a substantial factor in the successful rating.

Mr. Berggren said Commissioner Menegat was correct. He averred that one of the most powerful things the Board could do was to demonstrate a willingness to take a stand in that regard in order to maintain the utility’s ability to function. He also noted that rating agencies paid attention to the relationship between the Board and senior management.

President Simpson related that he had taken every opportunity, when meeting with the rating agencies via telephone along with Executive Management Staff, to emphasize the good relationship between the Board and staff.

## **BOARD AGENDAS**

Mr. Berggren highlighted the *Eugene Water & Electric Board Agenda Report* dated *June 17, 2008*. He confirmed that there would be no meeting on July 1 and a brief Special Board meeting would be added to the four-hour annual budget and financial retreat. Assistant Secretary to the Board Krista Hince noted that an Executive Session had been scheduled for June 26 from 12noon to 1:00 p.m.

## **Hayden Bridge \$10 Million Contract**

Senior Water Engineer Wally McCullough summarized the proposed contract. He reported that the design work had been wrapped up and the expansion would include two additional filters for

the Hayden Bridge Filtration Plant and a new contact basin, among other process improvements and structural work. He said capacity would be increased to 80 million gallons per day. He stated that the lowest bid received had been \$11.2 million, which had been above the budget and the estimate. He related that staff had made minor changes to the contract documents and had received two bids, the lowest of which had been \$10.076 million. He was confident that EWEB would get a fair price for the project. He conveyed staff's request for board approval of a contract with Wildish Building Company for the expansion.

President Simpson observed that the amount did not match the budget. He surmised that some projects would have to be moved in order to accommodate the increased contract amount and asked if this would create any impacts in other areas of the utility. Mr. McCullough anticipated very little impact, but confirmed that some projects would be deferred. He noted that the principle projects that would be deferred were related to second source work.

Water Engineering Manager Mel Damewood stated that staff was reviewing its five- and ten-year capital plan and reorganizing the priorities. He said they were looking at the groundwater project as it was still faced regulatory issues with the Water Resources Department as well as having to go through a process with the Springfield Utility Board (SUB) and the Rainbow Water District as it would impact their wells if EWEB developed its well.

In response to a question from Commissioner Cassidy, Mr. Damewood stated that EWEB was working with Springfield to develop interties in order to mutually benefit the water providers.

Mr. Berggren did not think that EWEB would likely realize its vision for the wellfield at the confluence of the two rivers, though the utility continued to work with SUB on a potential new filtration plant using the Willamette River.

Commissioner Brown noted that the same people had bid on the project both times. Mr. McCullough replied that EWEB had received three bids the first time and Wildish had only bid \$6.9 million as it had overlooked some of the electrical work that the project would include.

Commissioner Menegat, seconded by Commissioner Cassidy, moved to approve the construction contract with Wildish Building Company for \$10,076,000.

Commissioner Brown said he had a potential conflict of interest in that he had worked for the Wildish family, though he did not work for them presently. He recused himself from the vote.

The motion passed, 4:0:1; Commissioner Brown abstaining.

Commissioner Menegat asked that a diagram of Mr. Carter's property, his barn and the canal, be included with the backgrounder on the flooding issues he had brought up in the public comment portion of the meeting. Commissioner Brown asked that the backgrounder include what Mr. Carter was asking for as well.

Regular Board Meeting  
June 17, 2008  
Page 6

**ADJOURNMENT**

President Simpson adjourned the Regular Board Meeting at 8:07 p.m.

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Assistant Secretary

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President