

EUGENE WATER & ELECTRIC BOARD
REGULAR BOARD MEETING
EWEB BOARD ROOM – 500 EAST 4TH AVENUE
FEBRUARY 17, 2009
7:30 P.M.

Commissioners present: Ron Farmer, John Brown, Bob Cassidy, Rich Cunningham, and Joann Ernst.

Others present: Randy Berggren, Debra Smith, Sheila Crawford, Lance Robertson, Patty Boyle, Jeannine Parisi, Mel Damewood, Mark Oberle, Laurie Muggy, Garilyn Johnston, Dick Varner, Tom Buckhouse, Jim Wiley, Ed Case, Terry Bequette, Cathy Bloom, and Krista Hince of the EWEB staff; Ruth Atcherson, City of Eugene minutes recorder.

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

AGENDA CHECK

There were no changes to the agenda.

PUBLIC INPUT

Kit Kirkpatrick, a EWEB customer, noted that she was on the board of the Lane Regional Air Protection Agency (LRAPA) and would bring her concerns to the agency at the next board meeting. She said she supported burning wood waste to generate power in the Willamette Valley in theory. She thought the wood products industry would watch the Seneca Project closely and would desire to replicate it in the future. She declared it was very important to limit and regulate emissions as much as possible. She alleged that emissions projections indicated that the Seneca plant would be the fourth largest producer of nitrous oxide and the sixth largest producer of carbon monoxide in Lane County. She said though the plant “claimed” it would be able to capture 90 percent of the particulates, the projections she had looked at indicated that 120 pounds of lead would be released into the atmosphere per year. She pointed out the close proximity of area schools. She asked EWEB to make a number of stipulations in the contract that could be signed with Seneca. She wanted EWEB to demand that Seneca utilize a four-field electrostatic precipitator which she asserted would remove 99.9 percent of the particulate emissions. She considered a 45 percent wood/moisture target to be “extremely high” for the fuel in the boilers and wanted it lowered in order to produce a cleaner burn. She asked that EWEB stipulate that the fuel be derived from waste wood only. She did not want forests to be unnecessarily cut. She intended to urge LRAPA to demand that the maximum achievable control technology be utilized.

John Herbert stated that he was representing the Oregon Toxics Alliance (OTA). He provided his testimony in writing. He said the OTA wanted the Seneca project to succeed, but they wanted to ensure the public benefit outweighed the cost. He alleged that the pollutants that would be added to the airshed included 1.7 tons of formaldehyde, 1 ton of hydrogen chloride, 1 ton of chlorine, 1 ton of toluene, 1.4 tons of styrene and others. He averred that this would be an increase from the

existing levels of pollutants from Seneca, based on permits from LRAPA. He considered air pollution to be a cost gain absorbed by the public. He hoped that EWEB would require Seneca to utilize the maximum available control technology standard. He said at present the Seneca Sawmill had indicated it would use the “highest and best practicable standards,” which were not as high. He said OTA also wanted to see improvement in monitoring. He related that from the application he had seen only nitrogen oxide and particulate matter were proposed for continuous monitoring. He wanted this to be expanded to include any of the Title 5 Pollution Criteria or as many of the Hazardous Air Pollutants (HAPs) as possible. He questioned whether the amount of mill waste that Seneca had indicated it would need to burn was actually available from waste alone.

Foster “Robbie” Robinson, a EWEB customer, complained about the “billing process” that took place in Vancouver, Washington. He said his bill had been miscoded and he had been undercharged. He felt that no one was checking the work. He asserted that this was not the first time this had happened to him. He said he was being “forced” to bring his bill to EWEB to pay it and then get a receipt. He found it difficult to believe that there was not a competent firm somewhere in the State of Oregon that could do the billing for a local utility company.

Mel Menegat, a EWEB customer, thanked the commissioners for being there. He saw the Seneca project as a critical resource for the EWEB power portfolio. He said there were times the wind did not blow and the sun did not shine and the mill’s resource could assist the utility in providing power during those times. He underscored that EWEB was not the only entity that could purchase the power. He thought that EWEB could be in a delicate negotiation process. He had found in his experience of serving on the Board that EWEB had competent staff. He stated that they would know how to handle “the deal” and he was confident that staff would return to the Board with a proposal that would address all of the concerns expressed. He added that he had appreciated all of the questions and comments from the Commissioners during the Work Session. He remarked that this had given him confidence in what would happen going forward. He added, regarding the choice between taking an EWEB rate action and passing through the Bonneville Power Administration’s (BPA) rate changes, that he had always found the pass-through to be a clean way of dealing with BPA rate changes.

Commissioner Cunningham commented that Ms. Kirkpatrick’s testimony had resonated with him. He noted that his children attended the schools that she had listed and his wife served on the school board. He indicated that he would not support a proposal unless it would keep the area healthy.

Vice President Brown underscored that EWEB did not control the process with Seneca. He said if EWEB bought power from the project they would at least have a “footing” in it. He felt that EWEB was among the leaders “if not the leader” in not only the community but in the nation and that if anyone could do it right, EWEB could. He was confident that whatever proposal would come before the Board would consider the environment “first and foremost.” He was glad that LRAPA existed and wished there was a similar agency for water.

Vice President Brown indicated that he shared Mr. Robinson's sentiments about having remittances sent to Vancouver, Washington. He said it was because the firm in Vancouver could do the work cheaper than anyone else and because there were claims filed by EWEB employees for carpal tunnel syndrome that had resulted from opening envelopes. He explained that the Washington firm had the only machine that could open bills in the region, noting that all of the commissioners had experienced "that same public relations nightmare." He assured Mr. Robinson that staff would look into his concerns and get back to him.

General Manager Randy Berggren said he would look into the billing because Vancouver did not generate the bills and would not be responsible for a billing error. He clarified that the bills came from EWEB and the payments went to the Vancouver firm for opening.

Commissioner Ernst thanked everyone for testifying. She said she relied on public comment in her decision-making. She noted that she would bring up the possibility of paperless billing in the future.

APPROVAL OF CONSENT CALENDAR

Minutes

1. a. January 20, 2009, Work Session
b. January 20, 2009, Regular Board Meeting

Contracts

2. Cascade Health Solutions – EWEB's Safety, Health, and Wellness Program – \$750,000
3. Cenveo – Billing Envelopes – Office Systems – Corporate Services Division - \$43,046
4. Pacific West Utility Services – Purchase of System Test Switches – Electric Division - \$122,417
5. Selectemp – Landscape Temporary Summer Help – Facilities Corporate Services Division - \$50,000
6. Stantec Consulting, Inc. – Transmission Line Design and Engineering- \$145,000

Bill Stuff for EWEB's Monthly Bills

7. Proposed Earned Income Tax Credit (EITC) Bill Stuffer – Board Governance Policy 11.

Commissioner Cunningham pulled Items 3 and 5.

Commissioner Ernst pulled Item 7.

Vice President Brown, seconded by Commissioner Cassidy, moved to approve the Consent Calendar with the exceptions of Items 3, 5, and 7. The motion passed unanimously, 5:0.

ITEMS REMOVED FROM THE CONSENT CALENDAR

Commissioner Cunningham asked why EWEB was spending \$43,000 on billing envelopes in a short time period, per Item 3 of the Consent Calendar. Terry Bequette, Information Services Manager, replied that he had not been able to get much background information on the item. He was representing Kim Spear, who was not able to come to the meeting. He suspected that EWEB was trying to be careful not to run out of money to pay the company before the contract would be renegotiated in May.

Commissioner Cunningham asked, regarding Item 5, if this would not be a situation where EWEB could hire some lead landscapers who would then hire high school or alternative school students to do the work. Property Manager Mark Oberle replied that if the work was simply mowing lawns EWEB could hire students, but the work involved operating weedwhackers on the steep river bank and other heavy work. He said the work was something that someone who had experience and a certain level of strength should do. He added that the workers were dispatched around town and would be representing EWEB while working.

Commissioner Cunningham thought the Youth Corps could do the work as part of their education at a lower or no cost. Mr. Oberle responded that EWEB did employ Goodwill Industries for some of the work. He said they monitored some of EWEB's sites and picked up trash. He noted that EWEB had also utilized the Youth Corps for specific projects.

Commissioner Cunningham remarked that with so many people unemployed, both young and old, he thought it was a waste of money to hire temporary agency employees. Mr. Berggren replied that there were also liability issues from the Workman's Compensation and Administrative perspectives to consider. He said EWEB was in a risk assessment evaluation about what risk they would take on with the different types of work. He underscored that this was seasonal work.

Mr. Oberle related that during the time that summer help was hired, the regular workers were operating the field mowers and were pulled off from their more routine work items.

Vice President Brown asked if the \$50,000 item was for the entire season or was it in addition to an existing budget item. Mr. Oberle replied that \$34,000 was in the budget. He said they had asked for more money because the lead worker had taken a temporary assignment in the environmental department working on a vegetation management plan.

Commissioner Ernst stated that the cost for the bill stuffer in Item 7 was not large but she did not feel that the content was relevant to EWEB and its functions. She thought that the Earned Income Tax Credit (EITC) was already well-publicized by local agencies.

President Farmer averred that this was obviously a great program, but there were a lot of great programs to support. He felt that enclosing a bill stuffer on the EITC would open the door for

many other good entities. He did not want to give special preference to one program over the others. He felt that they should stay within policy.

Commissioner Cassidy related that he had been making “a push” in the collections department for people to ask customers if they had filed for their EITC. He said this had initiated the discussion that had resulted in staff’s suggestion that there be a bill stuffer.

Customer Service Manager Mark Freeman stated that United Way had indicated that most of the local utilities were including this information as a bill stuffer. He pointed out that people did use “a chunk” of their EITC to pay utility bills. He felt that raising awareness about the EITC could raise money for customers. He related anecdotally that someone he knew who was a single mother had not known about the EITC; he had informed her of it and it had netted her \$700.

Commissioner Ernst, seconded by Commissioner Cassidy, move to approve Item 3 from the Consent Calendar, a contract with Cenveo. The motion passed unanimously, 5:0.

Commissioner Cassidy, seconded by Commissioner Ernst, moved to approve Item 5, a contract with Selectemp for temporary summer help. The motion passed, 4:1; Commissioner Cunningham voting in opposition.

Commissioner Cunningham, seconded by Commissioner Cassidy, moved to approve Item 7, a proposed Earned Income Tax Credit bill stuffer.

Vice President Brown agreed with President Farmer. He felt that if EWEB opened the door for this they should open the door for everyone. He said he would prefer, if they were going to send something, to make a separate mailing.

President Farmer reiterated his concern that EWEB not discriminate between one social request and another. He did not want to set this precedent.

Commissioner Cassidy felt that it was a matter of helping the ratepayers pay their bills and it helped bring more money into the community.

Commissioner Cunningham indicated that he would support it. He knew people who had not known about the EITC.

The motion failed, 3:2; Commissioners Cunningham and Cassidy voting in favor.

ITEMS FROM BOARD MEMBERS

Commissioner Cunningham stated that he had received a letter from Dana Siebert regarding the Spring Boulevard water project. He said he had also received approximately 20 emails asking him to support Option 2.

Vice President Brown asked if word had gotten out regarding the boat landing and the Oregon Department of Transportation (ODOT) determination that a turn lane was not needed. He asked when the project would be moving forward. Mr. Berggren responded that EWEB was still waiting for an Army Corps of Engineers (ACOE) permit, to which the National Marine Fisheries Service (NMFS) attached its concern about the added in boat landing versus the Ike's Landing removal. He said this was the only outstanding permit at present.

Vice President Brown related he had been one of the sponsors for a bill before the Legislature regarding a statewide water protection overlay. He stressed that he was listed as a sponsor and as an individual and not as a EWEB Commissioner. He had sent a list of ideas to a friend, such as how to donate money out of an escrow transaction and how to transfer Systems Development Charge (SDC) credits and get charitable contributions. He said his ideas were civic-minded and one had ended up in a bill and might or might not get a hearing.

Commissioner Ernst reported that she had some correspondence from a customer regarding the possibility of paperless billing. She had thought that EWEB already had that capacity given that customers could pay bills on line.

Mr. Berggren said that EWEB did not have that capacity at this point because of how the billing system was set up. He added that it was in EWEB's "vision" to do so.

Commissioner Cassidy remarked that he was uncomfortable when the Board received testimony and did not respond to a specific request. He felt the Board should be able to take action. He noted two recent items of testimony regarding specific issues that had not been immediately provided a response.

President Farmer said the Board should focus on policy issues. He thought this was an item that would warrant a policy discussion. He felt that it often times did not make sense to respond to a customer with an issue during the public comment period other than to say that staff would get back to them. He pointed out that a person could come to the podium with only one side of an issue that the Board was hearing for the first time. He remarked that trying to provide a formal response within the meeting might not be practical at times, but this did not mean the Commissioners could not find a system. He noted that in the past individual Commissioners had always been able to ask Mr. Berggren to give feedback within a timeline.

Mr. Berggren said the Board had worked this way for some time. In regard to one specific claim brought before the Board at a recent meeting, he related that staff had routinely denied the claim and had reasons for it. He stated that background information on the claim had been provided to the Board and the Board had also been provided attorney/client privileged information. He related that from his perspective, there had been an appeal to the Board to pay the claim, and staff would not recommend doing so. He said if the Board chose to direct staff to do otherwise, the Board had the authority to do so, but he would recommend bringing in EWEB's General Counsel for consultation first.

Commissioner Cassidy thought it would have been good for the Board to indicate that Commissioners were satisfied with how the claim was being handled in that situation. Mr. Berggren responded that if the Board had not been satisfied with the process, someone would have indicated this to the claimant. He said on that particular claim they had potentially already responded to it with a denial.

Commissioner Cassidy read a letter from the claimant that alleged that they had not heard from EWEB regarding the claim and asking the Board if the claimant should pursue redress in another manner. He suggested that by consensus the Board say they should do so.

President Farmer did not want to encourage the claimant to pursue this in a different manner. He suggested that the Board ask Mr. Berggren to issue a letter to the claimant indicating that EWEB's position on the claim had not changed. Mr. Berggren said he would do so.

President Farmer stated that he had asked Mr. Berggren to find the legal review on email policy. He recalled that the Board had asked the legal counsel to do some research given that the Board had some liability on open meeting laws relative to discussion of issues in emails. He said if a Commissioner was sending an email to all of the Commissioners advocating a particular policy, that Commissioner was skirting a violation of the public meetings law.

Commissioner Cassidy said it appeared that the Seneca Project energy generation would be classified as a renewable resource. He was puzzled that they did not have information in that regard at this point. Mr. Berggren replied that there would be a more formal determination based upon the information provided.

Commissioner Cassidy was concerned about the negotiations that were going on at present between EWEB staff and the Seneca staff. He was worried that the farther they were stepping into it the more obligated they would be. He wanted to highlight the environmental issues because he believed it pertained to the whole metropolitan area. He thought the Seneca Project would be used as a template for other mills.

CORRESPONDENCE

Mr. Berggren called attention to the following items of correspondence:

- The second public input meeting on the Spring Boulevard project was scheduled for 7 p.m. on February 18 at the Hilyard Community Center.
- EWEB had received a letter from Dana Siebert relative to the Spring Boulevard water improvement project and his preferred solutions.
- Strategic Planning and Governance Coordinator Sheila Crawford had submitted a memorandum into the Board packets entitled *Considerations for Moving Forward with the Policy Governance Model*.

In response to a question from President Farmer, Mr. Berggren stated that it was the Board's decision on how to proceed with the governance model at this point.

President Farmer polled the Commissioners on whether there should be another day of governance work. Commissioners discussed their preferences.

Commissioner Ernst, seconded by Commissioner Cunningham, moved to go forward with the governance program up to a stopping point after two consecutive days of training. The motion passed, 4:1; Commissioner Cassidy voting in opposition.

Mr. Berggren continued his report on correspondence:

- Local Government and Community Outreach Coordinator Jeannine Parisi provided a memorandum to the Board entitled *Neighborhood Collaborations*, intended to be a summary of outreach to improve relations with neighborhood organizations.
- A backgrounder on EWEB solar water incentives and the level of incentives and how they had been determined was provided to the Board in response to Tom Scott's testimony at a previous Board meeting.
- Assistant Secretary Krista Hince provided a memorandum regarding tiered rates that included three sets of minutes that contained references, discussions, and dialogues about tiered rates.
- A brief letter from Paul and Catherine Duchin had been submitted to the Commissioners – the issue has been dealt with at this point.

BOARD AGENDAS

Mr. Berggren reviewed the *Board Agenda Report* dated *February 17, 2009*. He noted that the first meeting in March would be held on Thursday, March 5.

Commissioner Ernst asked if the all-day planning session was still scheduled for April 7. Mr. Berggren confirmed that it was. He said it was intended to be the strategic planning retreat for the Board.

PROPOSED SPRING WATER RATE INCREASE

Fiscal Services Supervisor Patty Boyle stated that Senior Financial Analyst Garilyn Johnston would present the water rate proposal.

Ms. Johnston provided the overview of the *2009 Water Rate Proposal – February 17, 2009*, with power points, hard copies of which were provided to everyone present. She explained that when she and Ms. Boyle had initially presented the potential rate increase, the increase had been estimated at 20 percent. She reported that since then they had conducted a rate study and the actual increase would be 18.1 percent. She reminded the Board that the July presentation of the budget proposal had preceded the closure of Hynix Semiconductor, Inc. She said staff had returned in August with adjustments in capital spending to account for the closure but the Board had been adamant that the capital projects should proceed and the rate should be adjusted accordingly.

Ms. Johnston reviewed *Rate Increases by Customer Class*. She explained that when the rates were being designed it had appeared that the water districts rate should be increased by 31.1 percent. She said during the rate design, as they compared the water districts to the other rate classes, staff decided that a 24 percent increase would be more equitable. She stated that this meant the other seven percent would be passed on to the water districts in the next year. She also explained that the rate study had indicated that the elevation charges could be reduced. She related that staff recommended leaving the charges alone because there would likely be an increase in the next year because of the BPA pass through, given that the charge was entirely a result of the power cost to pump the water to the next level.

President Farmer asked if the rates were being raised for other customer classes if EWEB was choosing to reduce the increase to water districts by 7 percent. Ms. Johnston replied that rates were not being raised; it was a change in forecast. She said the combination of the increase and the decision not to reduce elevation charges was predicted to create a \$67,000 variance. She stated that staff did not put it into a rate class.

President Farmer questioned whether the people paying the elevation charge were subsidizing the water districts. Mr. Berggren responded that this argument could be made under a pure cost of service assessment. He added that there was some judgment in every rate case, particularly in the Cost of Service Analysis (COSA) work.

Ms. Boyle clarified, at President Farmer's request, that EWEB had a dual relationship with the Santa Clara and River Road Water Districts. She explained that EWEB had a wholesale sales agreement with the two districts under the rate class. She said EWEB also had a billing relationship with the district and did the billing for them.

Commissioner Cunningham asked if the water districts were paying less for the water than a Eugene resident paid for it. Ms. Boyle replied that bills for district customers were comparable to bills for EWEB customers. She said it was difficult in some cases to determine what constituted water purchases because the districts, in some cases, chose to include additional charges in their rates for street lighting and other support to the district.

Commissioner Ernst asked if there had ever been a time that EWEB did not have enough water to sell to its district customers. Ms. Boyle responded that there had not been a shortage along that line that she was aware of.

Water & Steam Division Director Tom Buckhouse stated that there was nothing in the forecasts that indicated that a shortage would occur. He stressed, however, that EWEB was a one-source water utility and if something happened to that one source all customers would share equally in the lower availability of water. Mr. Berggren stated that the water districts would not be shorted water more so than the regular customers.

President Farmer asked why the Willamette Water District was not included in the water district rate class. Ms. Boyle surmised that it was because they were not within the city limits. She noted that rates for outside of the city had a higher differential.

In response to a question from Commissioner Ernst, Mr. Berggren explained that a COSA study looked at the shape of a water district's demand, when it occurred, and what facilities were required to serve those demands and then allocate the costs out. He said the difference between a water district and a residential customer was that a water district had a cumulated demand that averaged all of its customers' characteristics.

Ms. Johnston reviewed the *Residential Rate Class*.

In response to a question from Commissioner Ernst, Ms. Boyle affirmed that the $\frac{5}{8}$ inch and $\frac{3}{4}$ inch pipes served residential customers.

Ms. Johnston showed a slide of the *Comparator Cities*.

President Farmer asked why Medford had been dropped from the comparator cities. Ms. Boyle agreed to add Medford to the list.

Ms. Johnston stated that the second public hearing would be held on March 17, with action to be taken after the hearing.

Commissioner Ernst was happy to see that the rate increase had actually been determined to be 18.1 percent and not 20 percent.

Vice President Brown asked if the deferment of certain capital projects would affect rates. Ms. Boyle responded that the change had reshuffled main replacement projects and had not added to them.

Vice President Brown questioned why the bedroom communities around the Eugene metro area had not been included in the comparator rates. He had been told that the residential rate for water in Creswell was \$100 and had heard that some of the other communities had extremely high rates as well. Ms. Boyle responded that the rate study took “a fair amount of time” but staff would be willing to include those communities. Mr. Berggren added that there was some interest in how EWEB’s management of issues such as aging infrastructure compared to other significant utilities. He felt that the Interstate 5 corridor offered both a regional view of the nationwide issue of aging infrastructure and it provided a view in terms of the regional impact of climate change. He said the comparators were also larger cities that faced urban issues. He underscored that the smaller community issues around water supply were substantially different from the issues facing EWEB.

President Farmer said it would be interesting to have this information, perhaps on an annual basis, if EWEB was truly considering regional water supply issues.

Commissioner Cassidy noted that Mr. Berggren would be speaking about water-related issues at his address to the City Club.

FIRST PUBLIC HEARING ON PROPOSED SPRING WATER RATE INCREASE

President Farmer opened the public hearing.

Mel Menegat, a EWEB customer, supported the proposed rate increase. He thought that in the face of key elements the water utility needed to address, such as the economy, aging infrastructure, and others, EWEB needed to have a stable utility. He averred that the rate increase would do this and would replace the Hynix revenue. He said the Board had talked about the Capital Improvement Program (CIP) and there had been a tendency over time to “slip some of the aging infrastructure down” and focus on other elements. He hoped that the Board would keep the aging infrastructure in mind when it next reviewed the CIP. He was not certain what the economic stimulus package would do for the city and how many streets it would be able to “rip up” and repair within the next budget year, but EWEB should be in a position to respond to it. He thanked the Commissioners for their work.

President Farmer observed that the country was in a tough economic time. He felt that EWEB should manage the action as a dollar rate increase as opposed to a percentage increase as much as possible. He also wished to note that he had received an email questioning why EWEB would give a \$30 rebate one week and then raise rates the next. He had explained, in response to the inquiry, that the rebate had come from one utility and the rate increase was for the other. He said this would continue to be confusing for the public and every effort to clarify it should be made.

President Farmer closed the public hearing.

BUDGET AMENDMENT NO. 1 FOR \$1,001,940 – WATER CAPITAL PROJECTS

Water Engineering Manager Mel Damewood reviewed the proposed budget amendment. He said it would address three “surprise” projects that had come forward in the fall that would total a little over \$1 million. He related that deferred projects would be returned to the maintenance plan. He underscored that the relocation of 24- and 16-inch main for the Interstate 5 bridge project, which would not have been necessary if the bridge was not being built, had impacted the CIP. He explained that \$376,000 had to be taken out of main replacement for a main that did not need replacing. He averred that if EWEB kept “getting hit” with such items it would have a negative impact on main replacement for aging infrastructure.

Vice President Brown asked if 2009 projects were being pushed back to 2010, would 2010 projects then be pushed back another year? He wanted to ensure that the utility minimized the risk to the consumers of its water.

Commissioner Ernst asked what another option would be. Mr. Damewood replied that the utility could complete all of the projects by increasing the budget by \$1 million and this money would have to come out of rates. He added, in response to Vice President Brown, that delaying the projects did exacerbate the problem if the jobs kept getting pushed off by other projects that the City of Eugene or ODOT might place on the utility. He said EWEB would have to manage this and remain within its targeted goal of replacing infrastructure on a 100-year basis.

Vice President Brown commented that if the stimulus package went through he hoped EWEB would have its “hand in the air” to get money in order to allow the utility to remain flexible enough not to throw it on the ratepayers.

Commissioner Cunningham recalled that five or six years earlier the Cities of Eugene and Springfield had begun charging fees, some of which would go to EWEB and some of which would go to the city. He asked if EWEB received money from this. Mr. Damewood replied that EWEB had its own policy in regard for development; developers paid in full for the water mains required for their projects.

Mr. Berggren clarified that EWEB did receive compensation from developers. He explained that when the 10-Year Financial Plans for the water and electric utilities there was a line on it for SDCs that indicated how EWEB intended to apply them over the 10 years of the plan.

In response to a question from President Farmer, Mr. Damewood stated that there had been eight budget amendments brought before the Board in 2008. He was not certain how many would be presented in 2009.

Vice President Brown, seconded by Commissioner Ernst, moved to approve Budget Amendment No. 1 for \$1,001,940 to pay for water capital projects. The motion passed unanimously, 5:0.

ADJOURN

President Farmer adjourned the Regular Board Meeting at 9:03 p.m.

Assistant Secretary

Vice President