



MEMORANDUM
EUGENE WATER & ELECTRIC BOARD
GENERAL MANAGER

Rely on us.

TO: Commissioners Brown, Simpson, Cassidy, Ernst and Cunningham
FROM: Taryn Johnson
DATE: April 5, 2011
SUBJECT: January 4, 2011 minutes- Amended

Background

Enclosed you will find the amended (red-lined version) of January 4, 2011 minutes (page 8). Ruth Atcherson, LCOG recorder discovered an error in the approved minutes, after revisiting the recorded conversation.

Action

Approval of the January 4, 2011 amended-minutes.

EUGENE WATER & ELECTRIC BOARD
REGULAR BOARD MEETING
EWEB BOARD ROOM
500 EAST 4TH AVENUE
JANUARY 4, 2011 - AMENDED
7:30 P.M.

Commissioners Present: John Brown, President; Rich Cunningham, Vice President; John Simpson, Bob Cassidy, Joann Ernst

Others Present: Roger Gray, Debra Smith, Sheila Crawford, Lance Robertson, Clay Norris, Joe Harwood, Jeannine Parisi, Mark Freeman, Tom Buckhouse, Patty Boyle, Mel Damewood, Cathy Bloom, Kathleen Engstrom, Ken Beeson, Gail Murray, and Taryn Johnson of the EWEB staff; Ruth Atcherson, minutes recorder.

President Brown convened the Regular Board Meeting of the Eugene Water & Electric Board (EWEB) at 7:20 p.m. He congratulated Commissioner Simpson on his election to the Board.

Commissioner Simpson received a round of applause.

Commissioner Simpson thanked the community, EWEB staff, and his family for supporting him in his run for the Board. He underscored his dedication to providing the community with clean water and electric power at the lowest possible price. He said he had returned to help the Board create a vision of strategic direction and policy oversight that would help set the direction for EWEB's second 100 years of operation. He valued public utilities and was dedicated to upholding the environmental stewardship and social equity values embraced by the citizens of Eugene. He supported the effort to upgrade the grid to accommodate distributed generation and electric vehicles. He also supported appropriate technology such as smart metering. He was socially progressive and fiscally conservative and wanted to maintain sound financial management and cost controls to ensure that EWEB's expenditures benefited the local economy. He said he would be posting EWEB related issues to a blog in order to gather community feedback.

AGENDA CHECK

There were no changes to the agenda.

PUBLIC INPUT

Will Rutherford submitted his testimony in writing. He represented the Clearwater Coalition. He explained that as a result of the failed drinking water and floodplain ordinances proposed by the Lane Board of County Commissioners the residents of the McKenzie basin had organized on their behalf. He described the membership, which extended from the Hayden Bridge area to the uppermost residential properties on the river, and the structure of the coalition. He stated that the mission was to protect the McKenzie River basin while also protecting

property rights. He conveyed their belief that the organization was a "missing link" in the communications change. He related that the County Commissioners had destroyed the trust residents had in them. He was thankful that EWEB had opted out of the process at the "last hour." He emphasized that their intent was positive and constructive.

Marilyn Cross supported EWEB's efforts for establishing a revolving fund to help people repair and maintain their septic systems along the McKenzie River basin. She said the coalition was familiarizing themselves with EWEB's plans by reading about them on the EWEB web site. She had found the site to be an excellent tool to do that. She related that the septic system assessment file report had indicated that the analytical results showed no major impacts to water quality from septic clustered areas. She said many of the McKenzie area residents believed that there were other problems that had a high probability of occurring, such as the potentially catastrophic impacts of hazardous waste spilled on Highway 126 next to the river. She noted that there had been two truck accidents on the highway in the past 60 days. She pointed out that there was a 90-degree bend in Highway 126 around Leaburg Lake and the road was only separated from the lake by a wooden guard rail.

Vice President Cunningham said he hoped the coalition would take advantage of EWEB's public relations department.

Commissioner Cassidy asked what source of funding the coalition had. Mr. Rutherford responded that the coalition was only in its organizational stage at this point.

Commissioner Simpson agreed that the concern about contamination in the river was real. He said EWEB had an inter-agency emergency response team. He strongly supported EWEB working on a second source for drinking water. He averred that having a single-point source was very risky for a community of this size. He recalled that in his previous term as on the Board he had advocated representation in the McKenzie River Valley and he offered to represent them in his present term. He thanked them for spearheading the organization. He declared that there were opportunities for collaboration.

Commissioner Ernst thanked the coalition representatives for their testimony. She noted the planned upcoming day with the State Legislators and said she planned on talking to them about the safety of the road and spills.

President Brown thanked them for addressing the Board. He assured them that as long as they were in existence, EWEB would be responsive and would work collaboratively with them. He noted that EWEB had worked diligently to get the speed limit reduced around the new boat landing and it had been ignored. He asked General Manager Roger Gray if he could check on the appropriateness of providing a nominal level of assistance to the fledgling organization. He felt that EWEB could only benefit from its existence.

CONSENT CALENDAR

RATIFICATION OF BOARD CONSULTANTS FOR 2011

1. Ratification of Board Consultants for 2011
 - 1.1 Independent and Consulting Engineers - Black & Veatch
 - 1.2 Independent Actuaries - Kenney Consulting
 - 1.3 Renewable Energy Credits (REC Legal Counsel) - Davis Wright Tremaine LLP
 - 1.4 Independent Auditor and Certified Public Accountant - Moss Adams
 - 1.5 Financial Advisor - Delta Utility Associates LLC

RATIFICATION OF RETAINED PROFESSIONALS FOR 2010

2. Retained Professionals and Attorneys for 2011
 - 2.1 General Counsel - Eric DeFreest, Luvaas Cobb Law Office
 - 2.2 Special Counsel and Power Risk Counsel - Cable Huston Benedict Haagensen & Lloyd
 - 2.3 Special Counsel (BPA Rate Review) - Murphy & Buchal LLP
 - 2.4 Human Resources Counsel - Harrang, Long, Gary & Rudnick
 - 2.5 Bond Disclosure Counsel - Mersereau & Shannon
 - 2.6 Bond Counsel - Mersereau & Shannon

CONTRACTS

3. Associated Heating and Air Conditioning, Inc. - Provide HVAC maintenance and furnace repair services for low income EWEB customers - Power Resources Division - \$250,000 (over five years).
4. BenefitHelp Solutions - Administrative services for Flexible Spending Benefits, COBRA Administration and Retiree Health Insurance billing - Customer and Shared Services Division - \$250,000 (over five years).
5. Delta Utility Associates - Financial Advisor and other personal services - Customer and Shared Services Division - \$105,000.
6. Financial Consulting Services Group - Economic Consulting for Water Rates- Customer and Shared Services Division - \$39,000 (total \$63,000).
7. Godfrey Engineering, LLC - Inventory, Evaluation and Design Services for Carmen-Cougar Transmission Line - Electric, Water, & Steam Division - \$65,000.
8. OBEC Consulting Engineers - Riverfront Surveying Services - Customer & Shared Services Division - \$145,000.

Vice President Cunningham pulled Item 8.

Commissioner Cassidy pulled Item 5.

Commissioner Simpson, seconded by Commissioner Ernst, moved to approve the Consent Calendar with the exceptions of Items 5 and 8. The motion passed unanimously, 5:0.

ITEMS REMOVED FROM THE CONSENT CALENDAR

Commissioner Cassidy said he was concerned about the cost of the contract in Item 5. General Manager Gray replied that this did not buy the whole program for performance auditing. He explained that Jim Origliosso, who had just retired, was primarily responsible for setting up the program, adding that Mr. Origliosso's rates were low.

Commissioner Cassidy wanted a presentation of what that position would be. General Manager Gray responded that he could provide a backgrounder on the scope of work, but Mr. Origliosso would not be a full blown auditor; this was a part-time position and his job would be to help set up programs of general oversight.

Commissioner Cassidy, seconded by Commissioner Ernst, moved to approve Consent Calendar Item 5, a contract with Delta Utility Associates for a Financial Advisor and other personal services. The motion passed unanimously, 5:0.

Vice President Cunningham wanted to queue up the policy wording around contracts. He was concerned about the public process and how the contract was awarded. He felt that EWEB was not reaching all of the vendors for this type of work. He said he would like to set up a process so there would be a policy requiring references. Debra Smith, Director of Customer and Shared Services, responded that this was not the type of governance work that Sheila Crawford would ordinarily work with the Board on; the policies in question were the purchasing policies. She stated that this was work they had adopted as a follow-up to each legislative session generally when there were certain updates done. She considered the purchasing policies to be "pretty robust;" the policies were different from governance policies because purchasing policies had their basis in the Oregon Revised Statutes (ORS). She said General Manager Gray had instructed staff and they were working on changing the approach on these types of contracts. She explained that they would be going out in a broadly cast solicitation for engineering services and other types of professional level services. She stated that they would cast the net wide and allow anyone and everyone to bid on contracts.

President Brown applauded staff's efforts to improve the process. He ascertained that there were at least three Commissioners who were willing to discuss purchasing policies as part of an agenda.

Vice President Cunningham, seconded by Commissioner Simpson, moved to approve Consent Calendar Item 8, a contract with OBEC Consulting Engineers for riverfront surveying services. The motion passed unanimously, 5:0.

ITEMS FROM BOARD MEMBERS

Commissioner Ernst was hoping as they moved into the new year that the board would start being a strategic policy board. She thought former-Commissioner Farmer's parting comments had "hit the nail on the head." She wanted to start looking at setting goals for the Board. She believed they could move to meeting once a month if the Board started functioning at a higher level.

General Manager Gray agreed. He said he would like to bring forward a proposal for an agenda in late February. He thought one thing staff struggled with was in the absence of a strategic vision, there was no foundation to draw from. He felt this would be a healthy dialogue that could result in a resolution from the Board. He believed it would help because they would be able to tie the budget and Capital Improvement Plan (CIP) to the strategic plan, among others. He said at present these things came forward on a tactical basis and it was hard to tie them to an overall strategy. He believed this approach would help the next year flow better.

Commissioner Ernst thought the information flow would be better if it was presented based on how it was meeting the policies and not just kind of a tactical presentation the Board might have questions about or suggestions for.

General Manager Gray noted that the Board had approved a plan for the Integrated Energy Resource Plan (IERP) process. He said in reality the strategic plan should be above that and they should get it going ahead of the IERP.

Commissioner Simpson proposed to meet annually at the Irving Grange to better represent the Santa Clara population. He did not want to deliberate this, he preferred to queue it up later.

Commissioner Simpson also had a wording recommendation for a change to the agenda planning policy, Governance Policy (GP) 4. He said the policy helped staff understand the deadlines for publication of meeting materials for the Board and the public. He wanted to place a motion on the table, to be followed with a motion to table it to a date certain.

Commissioner Simpson, seconded by Vice President Cunningham, moved to make a wording change to Governance Policy 4.

Vice President Cunningham, seconded by Commissioner Simpson, moved to table the motion to March 1, 2011. The motion passed unanimously, 5:0.

Vice President Cunningham asked why customers were asked to press '1' for English. He felt this was backwards. Mark Freeman explained that pressing '1' saved customers time because other languages had a language line resource that created a pause in the process.

President Brown asked how many calls per 100 pressed '2' for Spanish. Commissioner Simpson said he would like to see the statistics on that and Mr. Freeman agreed to provide them.

General Manager Gray said they were trying to manage the system for reality as opposed to managing it for perception.

Commissioner Simpson ascertained that if the caller did not press any key the call would be timed out and sent to English.

Vice President Cunningham said he wanted to get an item on an agenda regarding board/staff communication. He noted that it had a placeholder on the *Agenda Report*.

Ms. Smith said there was a policy on this. She offered to send some information out on it. She stated that there was a process for asking for a backgrounder and a second policy regarding the need for help to write, as an example, an opinion piece. She recalled that it was up to two hours of staff time.

General Manager Gray said he had reviewed the policies. He related that he and President Brown had shared thoughts on the policies when he had first come to the utility. He stated that they had set up some protocols. With respect to putting limits on it, he preferred to leave it to a reasonable discretion and judgment. He interpreted the policies to be more as guidelines than as definitive policies. He felt that if requests of staff became excessive he would approach the president and ask for help.

Vice President Cunningham also desired to see items placed on the agenda without having three commissioners support placing them there. He said the Board was a legislative body and commissioners should, like state legislators, be able to individually bring items for discussion. He felt that having three head nods to place something on the agenda meant it was predisposed to pass. He wanted to talk about how they would protect the minority position on the Board. He also wanted to key up a discussion on whether or not to create a policy subcommittee consisting of members of the Board and members of staff. Additionally, he wanted to key up a discussion on GP6, the policy governing commissioners' code of conduct.

Vice President Cunningham moved to place upon the agenda a discussion on whether or not to form a policy subcommittee. The motion died for lack of a second.

Commissioner Simpson thought the Board was too small to have that kind of policy committee. He thought it could be a good idea, but in terms of public transparency and maintaining visibility he could not support the proposal.

Vice President Cunningham moved to place upon the agenda a discussion on Governance Policy 6, the code of conduct. The motion died for lack of a second.

Vice President Cunningham also wanted to "float the idea" of having a non-voting McKenzie River valley representative attend meetings.

Commissioner Simpson thought the idea bore fleshing out.

Vice President Cunningham asked staff to bring some ideas on how this could be done. He would like to see someone who actually lives on the river to sit at the dais and give input when they were discussing issues regarding the area.

Commissioners Ernst and Simpson supported the goal of having more input from representatives of the area. Commissioner Simpson would not support having a representative sit at the dais, however.

General Manager Gray noted that the Board had already asked staff to come back with ideas because of the public input provided by members of the Clearwater Coalition.

President Brown thought these items could be addressed in the upcoming strategic session. He thanked the coalition representatives again for their testimony. He looked forward to expanding the dialogue with McKenzie area residents.

President Brown reminded board members that if they were going to pull items from the Consent Calendar, it was a courtesy to notify the chair per GP6 so that he could notify staff and provide them with a heads up on it.

CORRESPONDENCE

General Manager Gray reviewed the correspondence. He strongly encouraged the Board not to gloss over the backgrounder from Clay Norris, Director of the Power Resources Division, regarding Board Policy SD8 - Power Risk Management Policies. He explained that they had discovered that staff needed to improve the job they were doing in technically complying with it. He said they planned to follow up on this with the auditor.

Commissioner Cassidy commented on the correspondence on the centennial planning. He wanted to ensure that EWEB would be part of the Eugene Celebration and would have a slate of other activities to celebrate it.

Joe Harwood said they had a fiduciary responsibility to the ratepayers not to waste money. He related that EWEB was networking with several groups and would have traveling displays. He explained that they had also spent many hours going through old photos, would be distributing EWEB 100-year calendars, and were working with the Employee Activities Committee to design an EWEB float for the parade.

Commissioner Simpson was proud of EWEB. He felt this was a once in 100 ~~years~~ year's opportunity. He hoped they could squeeze \$200,000 of value out of the \$50,000 allocated to the celebration. He loved the ideas he had seen in the backgrounder, but he was not certain they were spending enough money on the centennial.

Ms. Smith offered a request from staff. She said the biggest challenge was that the Public Affairs staff had been swamped for the last four or five months. She averred that the issue was not about the money, it was about the staff resources to implement the plan. She asked that requests of staff be restrained for the next couple of months so that they could focus on the work for the centennial. She added that she had seen the draft logo and it was very nice.

BOARD AGENDAS

General Manager Gray provided the *Board Agenda Report* dated *January 4, 2011*. He said they would be discussing at a future date the possibility of having one meeting per month.

Vice President Cunningham remarked that he would have "to be sold" on the idea of one meeting per month. He wanted to see the Board discuss strategic planning and things of that nature at one meeting and utility business at the other in a month.

ELECTION OF OFFICERS

President Brown proposed to take motions from the floor and to not close it at one.

Commissioner Cassidy, seconded by Commissioner Simpson, moved to have individual slates. The motion passed, 3:1:1; Vice President Cunningham voting in opposition and President Brown abstaining.

Vice President Cunningham, seconded by Commissioner Ernst, nominated President Brown for reelection to the office of President. The motion passed unanimously, 5:0.

Vice President Cunningham, seconded by President Brown, nominated Commissioner Simpson to serve as Vice President.

Commissioner Ernst, seconded by Commissioner Simpson, nominated herself.

Commissioner Simpson's nomination passed, 4:0:1; Commissioner Ernst abstaining.

Commissioner Ernst's nomination failed, 4:1; Commissioner Ernst voting in favor.

APPOINTMENT OF COMMISSIONERS TO BOARD LIAISON ASSIGNMENTS AND COMMITTEES

After discussion the Board determined the following appointments, to be included as a resolution on the Consent Calendar for the meeting scheduled for January 18:

- McKenzie Watershed Council: Vice President Simpson, with President Brown as alternate;
- Northwest Energy Coalition: Vice President Simpson, with Commissioner ~~Cunningham~~ Cassidy serving as the alternate;
- Northwest Public Power Association: ~~General Manager Gray, with~~ President Brown filling in for former-Commissioner Farmer's seat pending approval of the NWPPA board;
- Lane Council of Governments: Commissioner Cunningham, with Commissioner Ernst serving as alternate;
- Other Post Employment Benefits: Commissioner Cassidy would continue to serve.

Commissioner Ernst asked that liaisons report back to the Board on the meetings they attended. She asked that there be more communication between commissioners.

PROPOSED WATER SYSTEM DEVELOPMENT CHARGES

Ms. Smith reiterated that this item would be returning before the Board on February 1 for action.

Patty Boyle, Fiscal Services Manager, provided a power point presentation on water system development charges (SDCs), hard copies of which were provided to everyone present. She stated that SDCs ensured that adequate capital facilities were financed equitably by all users.

Commissioner Cunningham asked what the SDC cost was. Ms. Boyle replied that it depended on the meter size. She said a 5/8 meter incurred a \$2,600 SDC.

Commissioner Cunningham asked if EWEB was adding a "tax" to the system that would make housing prices higher. Ms. Boyle responded that costs for housing were passed along to the buyer.

Commissioner Cassidy was concerned about how it would be kept equitable. He wondered if there would be a way to more equitably distribute the costs between water SDCs for infill versus water SDCs for new structures. Tom Buckhouse, Director of the Water & Steam Division, responded that there were two separate fees to build a new structure: an SDC that was about water capacity and a charge to connect to the water system. He explained that if a person was developing a green field then he or she would pay 100 percent of the costs to extend the water main plus the cost to connect to the water main. He said a person who developed infill had a small installation cost and the SDC.

Commissioner Cunningham asked if EWEB was "hurting the economy ... by adopting a regressive tax." Mr. Buckhouse responded that he would not consider it a regressive tax; EWEB had to pay for the expansion one way or another. He explained that EWEB would either have to raise the money through rates, which everyone would pay for, or they would have new development pay to add capacity to the system.

Commissioner Cunningham asked if EWEB received a piece of the City's SDCs. Ms. Boyle replied that the City had its own SDCs to pay for parks, streets, wastewater and other things.

Commissioner Cunningham ascertained that this was a normal fee that EWEB charged.

Commissioner Ernst had no problem with the fee, which she saw as a way to pay for increased demand on the system. She felt this discussion supported the need for the Board to engage in a strategic planning. She said if they were going to have SDCs such as these, they needed to figure out how to fit it into the IERP when it came to conservation.

Ms. Smith thought this conversation would be good to have. She underscored that as a public utility, rate setting was one of the Board's primary responsibilities.

Mel Damewood pointed out that SDCs were by state law and EWEB had to comply with the law. He said bringing it into a strategic initiative would not be permitted.

Ms. Boyle noted that there was no electric SDC; it was unique to water and was based on the impact new development had on the system. She explained that if the impact was lower, it lowered a development's obligation.

Commissioner Cunningham said he would be gone for the meeting on February 1 and would plan on participating by telephone.

Vice President Simpson asked if there were options for payment terms. Ms. Boyle replied that there were not.

In response to a follow-up question from Vice President Simpson, Ms. Boyle clarified that the Board could not waive the fee but the Board could direct the water utility to have a memorandum of understanding (MOU) with the city that the SDCs levied on public housing, especially low income housing, would be paid out of general rate revenue.

President Brown strongly believed in SDCs but this was the only construction item that had gone up in the past three years and to have it increase by 47 percent was "monumental." He asked if EWEB's assessed SDCs had been wrong previous to the present. Ms. Smith responded that the level of spending had increased; the SDC had a recovery component and a prospective component.

Mr. Damewood said EWEB had developed its Capital Improvement Plan (CIP) five years earlier and the SDCs had been based on that. He explained that over the past five years EWEB had substantially increased the CIP and part of that had been new capacity.

President Brown asked, regarding the Veneta wholesale water contract, if SDCs would be reduced proportionately if EWEB became a regional water supplier and began to use some of the revenue to offset costs. Mr. Damewood responded that the contract with Veneta was for surplus water and SDCs were charged for facilities for firm capacity.

Commissioner Cunningham understood why they were charging SDCs but he still wondered if adding to the cost of housing starts would cause the area to further remain in recession.

Ms. Smith reiterated that the SDCs were coming before the Board for review because it was a Board directive to do so. She stressed that staff was neutral about the SDCs from a pure finance perspective other than other than that they needed to comply with the methodology that had been set up and approved by previous boards.

FIRST PUBLIC HEARING FOR PROPOSED WATER SYSTEM DEVELOPMENT CHARGES

President Brown opened the public hearing.

Roxie Cuellar stated that she served as a private consultant to the Home Builders Association (HBA). She thanked EWEB staff for their work and she understood that the proposed SDC charges were a work in progress. She explained that there were two types of

SDCs, a reimbursement fee and an improvement fee. The reimbursement fee was for capacity that already existed in the system. She stated that the reimbursement fee was for capacity that already existed in the system and was available for future growth. She noted that reimbursement had declined. She thought some of the things they could work out would be to restructure it so that some of the things that fell under the improvement fee fell under the reimbursement fee. She said there were always issues with the improvement fees because they were always speculative and that state law imposed different conditions on them. She noted that this was one thing she was working along with EWEB staff to resolve. She explained that state law required that improvement fees be calculated to obtain the cost of capital improvements for the projected need for available system capacity for future users. She considered one of the burdens in determining the methodology when considering improvement fees was that they had to project the need and ask if there were deficiencies in our capacity currently or during the proposed planning period and whether they anticipated deficiencies in the system to meet growth during the planning period, in this case within the 10-year period of the CIP. She stated that these were the things they were working on but she was confident, based on past history of working with EWEB staff, that they would be able to work through it.

Ed McMann spoke as a representative of the HBA. He appreciated EWEB's professional staff and their cooperation. He commented that timing was everything. They planned on bringing back testimony to the second public hearing on how this was probably the worst time in history to increase the cost of residential construction. He stressed the importance of the need for local employment numbers to rebound. He stated that when times were good, builders were able to pass the costs on but this was not the case at present. He said they would also be providing testimony on a home that the HBA had built in 2010 for the tour and sold. He related that they had made a profit on it but this was because of all the contributions made to the home. He stated that if a builder had built the home he or she would have to write a check at closing to get out from under it; on that 1400 square foot home they had paid close to \$20,000 in permit and SDC fees.

Leila Tropay, an audience member asked if the 7 percent administrative costs on the SDCs would be delineated for people to see.

President Brown closed the public hearing.

Commissioner Cunningham expressed appreciation for staff's efforts. He said they needed to protect industries that would help the community get out of the recession, but not at the expense of the ratepayers. He averred that the SDCs should be used to build new water mains and not to upgrade the water mains that water rates had been increased to pay for.

Ms. Boyle assured him that any money collected through the SDCs was required to be used for capacity improving projects. She explained that the reimbursement portion was a person's share of what was already installed.

Vice President Simpson acknowledged that the rate increase was for water main replacement. He asked if that then simply replaced one rotting pipe with another one of the same size or would they increase the size of the pipe and then would the cost of this larger capacity pipe fall under the qualifying attributes for SDCs. Ms. Boyle confirmed that this was the case.

Ms. Smith recalled that they had talked about the falling levels of SDCs that had happened in the wake of the drop in new construction at the time that they had brought the last CIP before the Board. She said if they revisited the CIP they would see which types of projects were eligible for SDCs and which were fully rate funded.

Commissioner Ernst said if they approached the SDCs from the position of how it was affordable and whether it was equitable, this was what she would like to hear more on. She said she did not need "all the fine points of them." Ms. Smith responded that they would look to provide more context that would connect present actions with decisions. She commented that this was not unlike the situation the Board would find themselves in when they brought before them a rate action that was reflected in the budget that the Board had approved several months prior.

Commissioner Cunningham did not want to get to the point where he would vote for an increase of 42 percent. He asked staff to bring something that did not give everyone what they wanted, but rather found a middle ground.

Ms. Smith said they would look at transition strategies that were available to them within the context of the law. She underscored that they had a need to remain within the methodology.

President Brown asked that in the continued dialogue with the HBA, if they were going to ask for a forbearance on any of the costs because of the economy then who should pay for them and why. He said if a development did not want to pay for the cost of the infrastructure that was being occurred as a result of the development, then they needed to determine who should pay for it and how they would pay for it. He underscored that if EWEB did not provide the water line, then a developer would not be able to build; the water line had to happen.

President Brown adjourned the Regular Board Meeting at 9:33 p.m.

Assistant Secretary

President