

EUGENE WATER & ELECTRIC BOARD  
REGULAR BOARD MEETING  
via TELECONFERENCE  
May 17, 2011  
7:30 p.m.

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

Others Present: General Manager Roger Gray, Debra Smith, Lance Robertson, Cathy Bloom, Wendi Schulz-Kerns, 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 7:30 p.m. The meeting was conducted via teleconference.

**AGENDA CHECK**

There were no changes to the agenda.

**PUBLIC INPUT**

There were no members of the public who offered comment at this time.

**APPROVAL OF SUPPLEMENTAL BOND RESOLUTIONS**

Director of Customer & Shared Services Division Debra Smith explained that the resolutions before the Board were considered to be a housekeeping item. She noted that the supplemental bond resolutions were often handled in the Consent Calendar.

Financial Services Manager Cathy Bloom stated that the Board had already approved a set of resolutions for the funding. She said the purpose of the resolutions before the Board was to give authority for the funding, which would then go to the Eugene City Council for approval. She noted that in accordance with the Uniform Revenue Bond Act (URBA) members of the public could ask the bonds to come up for a public vote.

Commissioner Cunningham, seconded by Commissioner Cassidy, moved to approve Resolution No. 1118, a supplemental bond resolution authorizing and approving the issuance, sale, and delivery of electric utility system revenue and refunding bonds. The motion passed unanimously, 5:0.

Commissioner Cunningham, seconded by Vice President Simpson, moved to approve Resolution No. 1119, a supplemental bond resolution authorizing and approving the issuance, sale, and delivery of water utility system revenue and refunding bonds. The motion passed unanimously, 5:0.

## **ITEMS FROM BOARD MEMBERS**

Commissioner Cassidy reported that he had attended the Northwest Energy Coalition (NWECC) meeting. He said he and Vice President Simpson planned to make a report on it at the first of the next month.

Commissioner Cassidy said he had a "lot of questions" regarding the correspondence the Board received on *Customer Care Administration Evaluation - Limited Income Assistance* dated *May 9, 2011*. He had some concern about the evaluation of the program as it had not addressed the effectiveness of it. He also was concerned whether the collaborative work in the community included any recipients.

President Brown asked Commissioner Cassidy to memorialize those concerns and distribute them so that the Board could have the benefit of knowing what the questions and answers were.

Commissioner Ernst asked for reports on the McKenzie Watershed Council (MWC), Lane Council of Governments (LCOG) meetings, and a committee the Bureau of Labor and Industries (BOLI) prevailing wage informational meeting that her colleagues had attended.

Vice President Simpson stated that significant progress had been made in the invitations for a Carmen-Smith and river float seminar on June 3. He said not all of the available slots had been filled and they were reaching out to more interested parties. He had attended the MWC meeting on May 12 at which a presentation on high school students involved in a water quality testing program on Camp Creek had been given. He related that the MWC typically had a summer tour and he had volunteered a Carmen-Smith facility or water plant tour.

Vice President Simpson had elected to attend the annual conference put on by the American Public Power Association (APPA) in Washington, D.C. in June. He also wanted to share that he had "a great time" at the annual Safety Break. He thought it had been well-attended and he had enjoyed seeing the water tap crew.

Commissioner Cunningham reported that he had attended the LCOG meeting. He said there was an ongoing process for which they had hired a facilitator to work with the LCOG board to determine what items they should discuss that were of common interest. He stated that there had also been a report from the Department of Senior and Disabled Services regarding its financial dealings over the past year. Members provided reports on the entities they represented and the meeting had been brief.

Commissioner Cunningham had also attended the Safety Break and he considered it a great event.

Commissioner Cunningham, seconded by Vice President Simpson, moved that the Eugene Water & Electric Board President and Vice President meet with Eugene Water & Electric Board legal counsel and General Manager Gray to prepare a resolution of censure relating to Commissioner Ernst's participation in the Seneca protests on May 5, 2011; the result of these meetings should be scheduled to be discussed by the Board in either an executive session or a regular session of the meeting scheduled for June 7, 2011. It is noted that Commissioner Ernst has a right for the proposed censure to be discussed in regular open session.

Vice President Simpson asked if the June 7 deadline would allow an adequate amount of time to draft the document.

President Brown was not certain of the legal ramifications. He imagined it would be subject to the availability of the General Manager and legal counsel.

Commissioner Simpson, seconded by Commissioner Cunningham, moved to amend the motion so that the item would be discussed at the June 7 meeting if ready and if not ready, at the earliest available meeting after June 7. The amendment failed, 3:2; Commissioner Cunningham and President Brown voting in the affirmative.

Commissioner Cassidy opined that the item should not be handled in a Board meeting; it should be handled personally.

At Commissioner Ernst's request, Commissioner Cunningham repeated the motion.

Commissioner Ernst ascertained that she could choose to have the proceedings occur in an open session.

The main motion passed, 3:2; Commissioners Ernst and Cassidy voting in opposition.

Commissioner Cunningham understood that a change in the policy relating to when meetings occurred could be on the next agenda. He had been waiting for some material on why the Board was reviewing less information at its meetings.

General Manager Gray stated that Sheila Crawford intended to provide this follow-up information. He assured him that this information would be provided prior to anything being presented to the Board.

Commissioner Cunningham noted, for the record, that he had inadvertently missed a meeting with Vice President Simpson and Ms. Crawford and apologized for it.

Vice President Simpson stated that there were approximately seven bylaws and policy changes they would bring before the Board. He intended to batch them so that the first group would consist of items that were not thought to be controversial and the second group would include things that would entail additional discussion.

President Brown said he planned to attend the ribbon-cutting ceremony at the Goodpasture Boat Landing on May 21 at 10 a.m. He reported that he would be attending the Northwest Public Power Association (NWPPA) meeting in Nevada, with departure planned for May 22, at which he would be appointed to the Board of Trustees. He was honored by the appointment and considered it to be a good group that provided a lot of education regarding the industry.

Regarding the memorandum *Update on Leaburg-Waltermville License Upstream Fish Passage Study* dated *May 6, 2011*, President Brown felt that it because they had already waited four years to do the study, the latest update just pushed it out farther in time. He commented that he continually saw the utility spending millions of dollars and the latest development made it challenging to continue to support expenditures on Waltermville Canal.

President Brown reported that he attended the BOLI conference and had been frustrated by how prevailing wage was calculated and how much money EWEB had to spend. He had been particularly struck by the new rules that required an entire project to be subjected to BOLI wage regulations if concrete cutting was a part of it.

General Manager Gray confirmed this. He explained that BOLI had given EWEB the interpretation that it was not the job that made the threshold, it was the contract. He had asked for a legal interpretation from general counsel with the thought in mind of challenging BOLI on this. He said the BOLI prevailing wage provisions were being applied to single jobs spread out over multiple sites and multiple years. He added that they were actively exploring insourcing the jobs.

President Brown had learned that there was no follow-up to determine that money charged for workers was actually then conveyed to the workers. He opined that the program seemed "incredibly self-serving."

General Manager Gray noted Commissioner Cassidy's request for a follow-up to the memorandum regarding the analysis of the Customer Care program and suggested they schedule one-on-one time with staff.

Ms. Smith had thought Commissioner Cassidy was focused on the funding levels and triggers for adjusting them and how they could be adjusted. She understood now that this was perhaps not the focus of his concern.

Commissioner Cassidy said he had anticipated meeting with General Manager Gray, Ms. Smith, and Executive Director of St. Vincent DePaul Terry McDonald to talk about some of the planning behind the program. General Manager Gray responded that the meeting had been suggested to focus on the possible triggers and how to determine the threshold for the 2012 budget going forward. He clarified that the memorandum included in the correspondence for the present meeting was really about insourcing or outsourcing the program. He explained that currently EWEB was under a contract with Lane County that was set to conclude at the end of 2012. He suggested that they get together and discuss next steps, noting that if three commissioners attended then public notice of the meeting would be made.

Ms. Smith related the staff concern that Mr. McDonald was a significant subcontractor in EWEB's relationship with Lane County. She said there was a potential issue in that when they talked about the program and how it was structured it would be perhaps uncomfortable to include Mr. McDonald without having a county representative there.

President Brown asked if this item could be included in the June 7 meeting agenda.

General Manager Gray was not certain staff would be prepared to bring something before the Board by June 7. He suggested that they "tee up" a list of the issues and a specific timeframe and next steps. This would give staff time to set up meetings for board members and to consult with outside parties.

Commissioner Cassidy wanted to look at the money; for him, how it was delivered was not a big issue. He wanted to understand how effective the program was.

General Manager Gray thought this information could be conveyed in a series of backgrounders.

President Brown adjourned the Regular Board Meeting at 8:13 p.m.

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Assistant Secretary

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President