

**SPECIAL SUB/EWEB JOINT MEETING
EWEB BOARD ROOM
500 EAST 4TH AVENUE
MARCH 21, 2017
5:30 P.M.**

Board Members Present:

Springfield Utility Board (SUB): Jeff Nelson, Pat Riggs-Henson, Michael Eyster (arrived at 5:56), Virginia Lauritson, John DeWenter, David Willis

Eugene Water and Electric Board (EWEB): Dick Helgeson, John Brown (departed at 7:15), Steve Mital, John Simpson, Sonya Carlson, Frank Lawson

Absent: None

EWEB Board President Dick Helgeson and SUB Board Chair David Willis convened the March 21, 2017, Special SUB/EWEB Joint Meeting at 5:33 p.m.

AGENDA CHECK

No changes.

PUBLIC INPUT

Josh Bruce expressed his appreciation of EWEB and SUB coming together for this meeting. Regarding life line infrastructure, he emphasized the importance diversity and redundancy across all infrastructure categories, such as energy and water. He added that regional threats such as climate change and the projected Cascadia zone earthquake, require individual governments working together in a common end.

EWEB – main Strategic Issues of Next 2-3 years

Frank Lawson provided an overview of EWEB's services. He said EWEB serves approximately 200,000 customers with approximately 90,000 customers utilizing electric services and 65,000 customers utilizing water services. The average electric service utilized 280 megawatts of power. Winter peak was approximately 600 megawatts and summer peak was growing at a faster rate than winter. The average water service utilized 15 million gallons of water a day. Summer peak was approximately 50 million gallons per day. EWEB had a drinking water plant, the Hayden Bridge facility with a capacity of approximately 80 million gallons per day. Both water and electric services had capacity as there was redundancy at a transmission level and a distribution level on the electric side and capacity on the water side relative to pump stations and storage facilities. He added that over the next 12 years, the electric system faced 1.5 billion dollars of resource decisions. All resources were up for relicensing and reconstructing. EWEB had three water rights on the McKenzie River, one on the Willamette River and one ground water right that was junior to both Rainbow and SUB, which required cooperation among all three providers.

Mr. Lawson summarized EWEB's main strategic priorities. He highlighted the following priorities:

- Develop water source resiliency and diversity;
- Consider electric resource decisions in the context of changing markets;
- Improve relationships with customers;
- Develop resiliency in local generation resources
- Link resources to key distribution points within the territory;
- Add flexibility to distribution to prioritize loads required in an emergency

SUB – Main Strategic issues over the next 2-3 years

Jeff Nelson provided an overview of SUB's services. He said SUB had the ability under the city charter to provide electric, water, telecommunications, and gas services to the City of Springfield. SUB had 25 square miles of service territory with approximately one third of electric customers and one half of water customers in relation to EWEB. SUB's water system was made up of well ground water sources as well as surface water sources. A treatment facility on the Willamette River treated both surface and well water and the Thurston Well Field near the McKenzie River treated ground water. SUB faced legislative and regulatory issues. SUB electric had residential, commercial and industrial energy conservation programs to provide a variety of efficiency products and SUB water focused on providing residential energy conservation programs.

Mr. Nelson summarized SUB's main strategic priorities. He highlighted the following priorities:

- Ensure decisions made by the board and recommendations by the staff were sustainable in terms of affordability, and stewardship of natural resources
- Evaluate and expand the ability to move water within the entire SUB system;
- Explore the ability to move water between Rainbow and SUB systems
- Develop a new surface water treatment facility on the McKenzie River
- Purchase targeted properties to move forward with infrastructure to link upper level services to provide redundancy for upper level systems and to protect the water supply
- Provide chain of custody of environmental attributes and renewable energy certificates

Present SUB/EWEB Collaborative Endeavors

Mr. Nelson and Mr. Lawson presented on the collaborative endeavors between EWEB and SUB. They highlighted the following collaborations:

- Mutual emergency aid
- Water intertie agreement between Rainbow, EWEB and SUB
- River clean up
- Source protection efforts
- Equipment loans
- Energy efficiency efforts

- Joint local campaigns to reach out to customers
- Emergency water containers
- Fiber systems agreements
- Planning coordination for events that impact power structure
- Interties on water and electric services to share sources

Pat Riggs-Henson asked if SUB and EWEB held joint staff trainings in areas other than disaster relief.

In response, Mr. Nelson said joint planning sessions were held on various topics and challenges and trainings focused on topics such as emergency preparedness. Many union groups did trainings on safety and indoctrination.

Mr. Helgeson asked if there were a communication protocols in place to coordinate during a broad-based disaster.

Mr. Nelson stated this was an area where enhancements could be made. Currently there were strong communication processes in place during an anticipated incident, such as an ice storm. Enhancements could be made for when there was an unanticipated incident.

John Simpson asked if there would be opportunity to wheel power to Springfield if power needed to be provided to sustain hospitals and other critical infrastructure.

Mr. Lawson said it would be possible. The benefit of collaboration was that these types of scenarios could be discussed and planned for. When EWEB went through resiliency and flexible distribution exercises, many of the most critical loads were in Springfield's territory. EWEB recognized that in that kind of scenario, it would require considering leveraging other resources such as Cougar Reservoir and Lookout Point for the southern Willamette Valley. During exercises in the Northwest, in collaboration with the Western Electric Coordinated Council (WECC), and the North American Electric Reliability Corporation (NERC), the first step was to disconnect from the system and wait for a callback that the grid had been restored. Even in the exercise, a callback was never received because, relative to Portland and the Columbia River, EWEB was low on the priority list, requiring reliance on collaboration with partners in the southern Willamette Valley.

Round Table – Opportunities for Future Partnerships

EWEB and SUB Board members discussed opportunities for future partnerships in the following areas: resiliency and disaster preparedness, BPA rate case implications and utility involvement, legislative and governmental issues, infrastructure compatibility, and economic development.

Board Discussion:

The board members expressed the following:

- Resiliency and Disaster Preparedness
 - Avoid or minimize capital costs going forward, particularly on the water side
 - Ensure that EWEB and SUB could maximize the value of interconnections to have transfer capabilities
 - Prioritize working collaboratively, especially in times when triage was needed; EWEB and SUB needed to support and protect each other
- BPA Rate Case Implications and Utility Involvement
 - Work together, and with other organizations, to move forward with the Bonneville rate case negotiations and Columbia River Treaty
 - Work together to emphasize improvement of fish hatcheries
 - Reinforce existing efforts where SUB and EWEB interests were aligned in terms of establishing a local forum for utilities to bring some pressure to bear on decision makers
 - Hold joint public forums to gather public testimony and input
 - Leverage local advocacy with help from all the county utilities to hold some Bonneville hearings locally
 - Discuss issues in joint board meetings
 - Amplify impact by using joint forums to hold decision makers accountable by inviting experts and state representatives to these forums
- Legislative and Governmental Issues
 - Work together to identify common concerns to support one another during the legislative session
 - Work together to meet with delegation after the conclusion or before the legislative session
 - Hold a joint lobby day

The EWEB/SUB joint session paused for a break from 7:15 p.m. to 7:30 p.m.

Mr. John Brown left during the break.

- Infrastructure Compatibility
 - Examine and identify issues in the capacity to transfer water between SUB and EWEB under different conditions
 - Engage other parties involved between cities to improve communication and preparedness in the event of a disaster
 - Outline methods of communication between SUB and EWEB in the event of a disaster
 - Outline methods of communication between private and public organizations in the event of a disaster
 - Outline methods of communication with the community and customers in the event of a disaster
 - Examine the possibility of a shared intake and treatment facility at Hayden Bridge
 - Identify and Explore ways to work together on water and electric infrastructure

- Economic Development – Eugene/Springfield Metro Plan
 - Continue to explore possibilities of open internet exchange between Eugene and Springfield through development of dark fiber infrastructure
 - Share the processes and steps taken by EWEB throughout the development of the fiber project
 - Send other ideas to the SUB and EWEB general managers
- Others

The board members shared their highest priorities in developing a collaborative relationship between EWEB and SUB. They emphasized the following:

 - Build a partnership between EWEB and SUB by holding annual or biannual joint sessions
 - Cooperate and collaborate in lobbying for joint interests
 - Explore opportunities to collaborate on infrastructure upgrades
 - Develop resiliency and disaster preparation before moving forward
 - Invite BPA to joint sessions to hold them accountable
 - Work together on the Bonneville rate case negotiations and Columbia River Treaty
 - Work together to seek regional water efficiency, resiliency, and redundancy
 - Engage with key players in the water services such as Rainbow Water District and Glenwood Water District
 - Share suggestions for next steps from the SUB and EWEB general managers

Adjournment

The Special SUB/EWEB Joint Meeting adjourned at 8:20 p.m.

Assistant Secretary

President