

EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
JULY 21, 2015
5:30 P.M.

Commissioners Present: Steve Mital, President; John Simpson, Vice President; John Brown, Dick Helgeson, and James Manning, Commissioners.

Others Present: Roger Gray, Steve Newcomb, Roger Kline, Deborah Hart, Sue Fahey, Susan Eicher, Cathy Gray, Harvey Hall, Adam Rue, Jeannine Parisi, Lance Robertson, Sibyl Geiselman, Adam Rue, Erin Erben, Todd Simmons, Dave Churchman, Brad Taylor, Julie Bivens, Mark Freeman, Tom Williams, Lena Kostopulos, Mike McCann, Joe Harwood, Steve Mangan, Alan Fraser, Will Price, Keith Jeskey, Jason Heuser, Suzanne Adkins, and Taryn Johnson of the EWEB staff; Vicki Maxon, Recorder.

President Mital convened the Regular Session of the Eugene Water & Electric Board (EWEB) at 5:30 p.m.

AGENDA CHECK

Vice President Simpson noted that General Manager Gray will touch on emerging issues facing the utility as part of agenda item #13, Board Wrap-Up and Focus Over the Next 12 Months.

ITEMS FROM BOARD MEMBERS

Commissioner Manning noted that he attended the Skip Collier Electrical Fundamentals 101 seminar last week.

Commissioner Helgeson noted that he, General Manager Gray and Vice President Simpson attended the EWEB picnic last Saturday, which was sponsored by the EWEB Retirees Association and the EWEB Credit Union. He said the turnout of 150-175 was great despite the 100° weather, and he appreciated the efforts of all involved in putting it on.

Vice President Simpson noted that he attended the Cal Young Neighborhood Association meeting with City Councilor Mike Clark and presented an overview of EWEB's riverfront development process. He said the meeting was well-attended.

He also stated that he will brief Commissioner Brown on the McKenzie River Cleanup that he attended, and noted that he took General Manager Gray for a ride in the electric vehicle that designed and developed by Arcimoto, the company he works for.

He also noted that a McKenzie River Valley customer had contacted him (assuming he was EWEB's upriver Board representative) about paying a deposit on his account, and he had referred them to senior management, and apparently all turned out well.

Commissioner Brown noted that he had participated in the annual McKenzie River clean-up, and that there was 1,100 lbs. of trash collected, and that the dumpster was so full it couldn't be taken to the dump. He added that it has been reported that kids underneath the bridge on the east bank of the river have been stealing insulation and then burning it there on a fairly regular basis.

He then noted that he is speaking at LGAC this coming Friday along with the Chamber of Commerce regarding the headquarters site.

He then noted that he and Commissioner Manning are working the EWEB booth at the Lane County Fair this Thursday night between 5:00 and 8:00 p.m.

He then reiterated his past concerns about the continuation of EWEB operations on the lower McKenzie River. He noted that when half the flow is diverted, it's less than three-quarters deep, and that bank vegetation continues to be discussed, yet EWEB is creating the greatest warming effect. He stated that the temperature between Walterville Canal and the river is a 5-7 degree differential, which is huge for the fish, and he added that every river in Oregon except the Santiam has shut down fishing after 2:00 p.m. He reiterated that he hoped EWEB would do something to help Mother Nature because warming is totally unnatural and not helpful for the overall health of the river.

Commissioner Manning added that General Manager Gray spoke at City Club on June 12 and did a great job, and that even though there were opponents of EWEB present who were trying to spark more adversarial content, it didn't turn out that way, and that he is proud of General Manager Gray and proud to support him.

PUBLIC INPUT

There was none.

APPROVAL OF CONSENT CALENDAR

1. a. June 2, 2015 Regular Session
- b. June 2, 2015 Executive Session

CONTRACTS

2. Halvorson Contracting - for the Electric Operations Remodel. \$131,000 Electric Operations. Contact Person is Todd Simmons.
3. H & J Construction, Inc. - for the East 24th Avenue Main Extension West of Hilyard Street Project. \$285,500, Engineering Services. Contact Person is Mel Damewood.
4. Maul Foster & Alongi, Inc. - for Remedial Design Engineering Services. \$420,000, Environmental Services. Contact Person is Steve Newcomb.

5. Northwest Youth Corps - for required vegetation maintenance services. \$400,000 (over five years), Environmental Services. Contact Person is Steve Newcomb.

6. TetraTech, Inc. - for Owner's Representative services during the construction phase of Leaburg Dam Roll Gate #1 and #3 Hoist Replacement Project. \$184,925 (total \$ 274,875), Engineering Services. Contact Person is Mel Damewood.

7. WESCO Distribution - for the periodic purchase of molded rubber products (as needed to replenish stock). \$525,000 (over five years), Engineering Services. Contact Person is Mel Damewood.

RESOLUTIONS

8. Resolution No. 1518 - Financial Policy Changes. Contact Person is Susan Fahey.

9. Resolution No. 1520 - Resolution Approving Board Policy SD 20: Enterprise Risk Management. Contact Person is Roger Kline.

10. Resolution No. 1521 - Board Policy SD 5: Public Plaza Policy Revisions. Contact Person is Lance Robertson.

Vice President Simpson pulled item #9, stating that he is in favor of it, but would enjoy having a brief conversation about the e-mail President Mital had sent to the Board. President Mital noted that he had sent a follow-up e-mail to the Board regarding #9.

It was then moved by Commissioner Brown, seconded by Vice President Simpson, to approve the remainder of the Consent Calendar. The motion passed unanimously (5-0).

Vice President Simpson asked what President Mital's concern was regarding the above item. President Mital replied that the way it was written suggested that it was more or less establishing policy, and General Manager Gray had said that it established practice.

General Manager Gray noted that Roger Kline, Enterprise Risk & Internal Controls Manager was the author and that it is an evolutionary process that is making good progress. He added that even if the Board doesn't approve it as policy, he will carry it out anyway, and that he will address it further during Correspondence (item #12) but recommends against very detailed policies because of their constant change.

It was then moved by Vice President Simpson, seconded by Commissioner Manning, to approve item #9.

ELECTRIC AND WATER 10-YEAR CAPITAL IMPROVEMENT PLANS (CIPs)

Mel Damewood, Engineering Manager, and Wally McCullough, Water Engineering Supervisor, presented the above CIPs, and answered clarifying questions and comments from the Board.

Commissioner Manning asked for an update on the plan for College Hill Reservoir. Mr. McCullough stated that staff has more planning to do, but is considering smaller reservoirs, with decommission of College Hill in 2026, replacing it with a 5 MGD reservoir at that site.

Commissioner Helgeson appreciated staff's discipline with capital planning and the sequencing from earlier presentations. He asked for clarification of how investment meets objectives and the correct impact in terms of customer investment, but noted that he can get this information off line.

Mr. Damewood noted that the Board will continue to get EL-1 reports regarding the above.

Commissioner Brown asked about progress on the Spring Blvd. Mr. McCullough replied that the design for Spring Blvd. is 90% complete and that the contract award for a new pump station with multiple redundancy will be brought to the Board in October.

It was moved by Commissioner Manning, seconded by Commissioner Brown to approve the above electric and water 10-year CPIs. The motion passed unanimously (5-0).

LTD/EMX PROJECT - UNDERGROUND UTILITY RELOCATIONS CONSTRUCTION CONTRACT SUBMITTED FOR APPROVAL

It was moved by Vice President Simpson, seconded by Commissioner Helgeson, to approve the above construction contract.

Commissioner Brown asked about reimbursement and what category this will fall under in the budget. General Manager Gray replied that there is not a specific line item for it and that there is no specific report for it at this point, but that could be done. He noted that LTD's project manager follows this very closely. Ms. Fahey further explained the budget and reimbursement process for the project.

Vice President Simpson will call Mr. Damewood for further explanation

Commissioner Helgeson appreciated EWEB's relationship with LTD and stated that it reminds him how expensive it is to re-do electric and water infrastructure.

Commissioner Manning asked if a specific interval of periodic updates could be established so he could be sure ratepayers are treated fairly. General Manager Gray suggested a quarterly report followed by Board discussion if the Board desires.

The motion then passed unanimously (5-0).

General Manager Gray suggested that agenda item #11 be moved ahead of items #9 and #10 since the public hearing for the long-term financial plan and 2016 budget assumptions can't be started earlier than its posted agenda time.

President Mital called for a 10-minute recess.

EWEB RATE DESIGN PROPOSAL

With the aid of overheads, Erin Erben, Power & Strategic Planning Manager, and Adam Rue, Senior Energy Resource Analyst, presented the rate design proposal, and asked for direction and feedback regarding the previously received background. Following are each Commissioner's comments regarding direction:

Vice President Simpson:

- Agree with shift to price and away from rates – visionary change that Board should embrace especially as we shift more and more to the base charge.
- Will AMI capture energy demand? (yes) That would open potential to consider residential demand charge – I strongly support that
- Not too concerned about gradualism but I respect it – “pressure” if you will
- Support flattening tiers but vote for focusing on adjusting basic charge upward first and flattening later - \$10 increase (gradualism) to base charge is what I want now – ultimately I want it to be fair – don't favor cross-substitutes of high energy consumers subsidizing monthly service of low energy consumers – low-income customers are not necessarily the lowest consumers.
- Go further/faster
- Would like more conversation about partial requirements – concerns about not capturing adequate revenue for users who may lean on the system in a distributive generation environment – relates to system availability and people need to pay for it. Not in a hurry, though.

Commissioner Helgeson:

- Support flattening tiers – customer acceptance is important, and time and pace, and also what customers consider acceptable for the “cost of nothing”
- Water rates – make all same arguments for it as we did for electric – I'd like people to use capacity and not be penalized for it – might want to lighten that load and see greener lawns at some point

Commissioner Brown:

- Fine with flattening tiers and basic charge
- Need more explanation on medical and low-income rate (page 8) – i.e., a fixed bill credit? (Ms. Erben stated this is not proposed for this year, but a concept)
- All for medical, low-income and military rates – I want to help these customers if we can.

President Mital:

- Prioritize flattening first and basic charge second
- All for medical, low-income and veteran support

Commissioner Manning:

- All for low-income, medical and veteran support
- Opposed to the elevation charge because others would have to pay for that effort (Ms. Erben noted that staff doesn't have data in order to move forward with that now but should by next year)

President Mital asked about the rationale for moving forward with the adjusted basic charge. Ms. Erben replied that half of EWEB's costs are basically fixed and that there is a way to go, but that would be justification for doing something now instead of later.

Commissioner Helgeson stated that there is no doubt is justification for charging customers at higher elevations and that he looks forward to hearing more. He briefly summarized the historical context for these costs and stated that he believes there should be differentiation in the system development charges.

Regarding customer charge vs. demand vs. flattening, General Manager Gray noted that the concept of residential demand charge in one class rather than fixed charges is a very important price signal to send. He asked the Board to revisit Monica Shovlin's, Marketing Program Supervisor handout. He noted that the August meeting agenda is pretty full but 15 minutes may be able to be inserted for this topic.

Vice President Simpson wondered if feedback could be captured through a Google poll or an equivalent with the results being released afterwards, i.e., listing several potential items with an explanation paragraph following each item.

President Mital stated that the Board will consider the best mechanism for that between now and the August meeting.

LONG-TERM FINANCIAL UPDATE AND 2016 BUDGET ASSUMPTIONS

With the aid of overheads, Sue Fahey, Finance Manager, and Deborah Hart and Harvey Hall, Senior Financial Analysts, presented the above update and budget assumptions and answered clarifying questions and comments from the Board.

Commissioner Manning asked for confirmation of EWEB's current bond ratings. Ms. Fahey replied that electric utility is A and water utility is AA, with a rating review for the electric utility coming up this week.

Vice President Simpson asked if a 6% BPA rate increase would translate to a 2.5% EWEB rate increase (it would). He voiced surprise at only a 2.5% increase because of how much power EWEB purchases from BPA. General Manager Gray further explained the process.

Commissioner Brown asked about the reliability of predictions for the Seneca and Carmen-Smith projects. Mr. Hall replied that the forward price curve is not a forecast although it is used to value power, and that staff tries to respond to pressures and hedge, and manage asset sales accordingly.

President Mital asked about employee cost of living adjustment (COLA) increases as part of the CPI. Ms. Fahey noted that EWEB's process is different than most public agencies, and Lena Kostopulos, Human Resources Manager, briefly explained the difference. She noted that EWEB is presently in collective bargaining for IBEW so she can't discuss specifics this evening.

Vice President Simpson encouraged staff to be conservative with their projections, as he believes the forward price curve will be fairly flat.

Commissioner Helgeson stated that he feels good about the forward price curves and asked staff not to forget what it's taken to get to this point, and to reconstruct the rate design so as good news is told, customers won't perceive the process as "just another rate increase." He noted that EWEB has maintained its bond rating and kept rate increases low, and that he would like staff to continue to point of pooling of net revenues over time, while also producing reserves to help pay down anticipated investments.

General Manager Gray thanked the Board and staff for the last several years of work which have brought EWEB to this point. He noted that rate issues for years 2020 and 2021 haven't been solved yet but that he has every confidence they will be, and that the forward price curve is a critical subject, historically driven by gas prices. He added that shutdown of wells is happening now, and distributive generation, solar and wind prices will serve as the cap for how things will escalate, and upward pressure will dictate the fundamental cost of materials. He also said that he doesn't expect prices to go back up unless there is a radical change in gas and solar prices, and that he will be most comfortable with a low, flat market, and making decisions around that.

President Mital wondered how big an area should be considered for the impacts of distributive generation on EWEB. General Manager Gray replied that it will depend on national policies, and that the cheapest renewables are wind and centralized solar (big plants), and transmission for policy around the nation. He noted that wind and solar will also offer downward pressure and that massive central solar is now being built, i.e., 8,000 MW, which is remarkable.

PUBLIC HEARING ON LONG-TERM FINANCIAL PLAN AND 2016 BUDGET ASSUMPTIONS

Bob Cassidy voiced concern about EWEB's transition over the last couple of years. He appreciated General Manager Gray talking to City Club recently, but in his opinion, his presentation may not have been blunt enough about what is coming. He stated that he recently finished a book and an article in New York Magazine about why green energy makes utilities nervous. He asked staff to make this article available to the community, as he doesn't believe the message is out there at all, and there is a need to prepare the community for that transition. He noted that EWEB won't change as quickly as other utilities will and wondered what else EWEB could sell besides electric and water—possibly sewer? He asked the Board to consider thinking about this in the future.

Commissioner Manning noted that only a very small portion of the community uses solar and that it may be worth the time and consideration to consider expanding the portfolio, but that EWEB needs to continue the technology at hand and use it to their benefit, and prepare for the 22nd Century.

Commissioner Helgeson stated that this is an opportunity for strategic planning and thinking, and that he looks forward to a future agenda including a high-level discussion with staff about what the future looks like, high-level responses, and a community-based discussion around how EWEB should align themselves and look at long-term investments.

Vice President Simpson appreciated Mr. Cassidy's comments. He stated that as electric technology advances, we as a society will have less and less dependency on the grid as we know it. He noted that with battery storage avail, there may be a significant shift where daily home consumption of matches what a panel provides, and that with a good enough system, a customer can get off the grid, and eventually half of San Francisco and Los Angeles will move up and up. He added that he is committed to facilitation and adoption of technology by customers as guided by the Strategic Plan, and more fixed charges, which plays into this. He noted that at some point, the last person on the grid will have to pay \$250 million.

CORRESPONDENCE/BOARD AGENDAS/EMERGING ISSUES:

General Manager Gray briefly reviewed the following items regarding the August meeting agenda:

- An Executive Session (re: property issues) beginning at 5:00 p.m. is necessary for the August 4 meeting
- Rate design discussion and feedback with Ms. Erben

Emerging Issues:

- Power market issues/shifts discussed tonight – theoretical is now real and coming faster than expected
- Rates and rate design issues are a critical part of how we will face that – how we survive and thrive
- Alternative water source from concept to real – water rights have already occurred and hoping property will occur next month
- Northwest and California drought - will change water markets and create huge political issues--fines for water districts, people stealing water. Predict Oregon will have a tougher time because of less storage and climate change.
- Infrastructure – focusing holistically on risk/benefit is important. We have external audits already but there are many other risks that aren't financial – i.e., infrastructure assessment. What are all the risks we face?
- As we see the economy recover and baby boomers retire, longevity of the organization is critical. Planning for the turnover with baby boomers retiring is very important.

BOARD WRAP-UP/FOCUS OVER NEXT 12 MONTHS

Commissioner Helgeson asked for confirmation of a provision in the BPA contract that allows for reconsideration of the slice option. General Manager Gray replied that there is (he believes in April or May 2016), and that this issue will be brought back to the Board for a timely discussion, possibly in December. He added that this is a big decision but staff doesn't have all the options yet.

Commissioner Brown voiced the desire to accelerate the alternative water source (AWS) project and wondered why that isn't being given more priority. He noted that two or three emergency water supply trailers aren't going to cut it if a natural disaster occurs.

Brad Taylor, Water Operations Manager, replied that AWS is on a fast track but permitting is still three years away.

Regarding the emergency water supply trailers, Mr. Taylor noted that equipment procurement as part of the 2016 budget will allow EWEB to treat non-potable water and deliver it through the trailer system but with a very small window, and that it is difficult to get beyond 1

or 2 MGD. He added that the cities of Portland, Tualatin and Lake Oswego are all on the same trajectory and paradigm shift, but it's a small amount of water.

General Manager Gray noted that EWEB will eventually be able to treat river water for human consumption.

The Board voiced their preference regarding their focus over the next 12 months:

Vice President Simpson:

- Stay apprised and focused on rate structure and remaining comparable, and that, regardless of the great news on financial front, EWEB must not fall back on its laurels.
- Concur with finding ways to attract and retain new generations of EWEB work force who have different values than what we're used to
- Be resilient, i.e., regarding Cascadia earthquake zone. Form stronger bonds with regional emergency management agencies and, if deficiencies, perhaps we can play a role.
- Discuss the AMI opt-in program more, and the options and products which will be available to customers
- Concerned that the Customer Service Department is under-funded and outdated – need a conversation about this some time within the next year.

Commissioner Helgeson:

- AWS and Carmen-Smith – rates in common
- What is missing is a longer-term vision--distributive generation, for example—to begin thinking about longer-term view in terms of this utility. Inform context in which we make decisions and preserve important characteristics of this institution. We're obligated to contribute to that vision.

Commissioner Manning agreed with his colleagues' comments, especially regarding the future of the work force, with significant turnover happening in the next five years. He suggested that apprenticeship and journeymen (BOLI) should be developed now, from the existing supply of students. He thanked Ms. Kostopulos and her team for going to Calapooya High School and bringing the students to EWEB to observe various jobs.

President Mital noted the list that was generated at the recent Board retreat, and specifically mentioned advanced metering infrastructure (AMI), AWS, and a focus on rates and rate structure. He reiterated that issues are surfacing faster than Board and staff may have thought they would.

Vice President Simpson appreciated his colleagues' comments regarding emerging issues, and said that he looks forward to their next discussion.

President Mital adjourned the Regular Session at 8:00 p.m.

Assistant Secretary

President

EUGENE WATER & ELECTRIC BOARD
EXECUTIVE SESSIONS
EWEB BOARD ROOM
500 EAST 4TH AVENUE
AUGUST 4, 2015
5:00 P.M.

Commissioners Present: Steve Mital, President, John Simpson, Vice President, Dick Helgeson and John Brown.

Commissioner James Manning was unavailable.

President Mital called the Executive Session meeting of the EWEB Board of Directors to order pursuant to ORS 192.660(2)(e) at 5:00 p.m. to deliberate with persons governed by the governing body to negotiate real property transactions.

Others Present: General Manager Roger Gray, Brad Taylor, Mel Damewood, Sue Fahey, Lance Robertson, Wally McCullough, Lisa McLaughlin, Tim O'Dell and Taryn Johnson of EWEB staff, joined by General Counsel Eric DeFreest of Luvaas Cobb.

President Mital adjourned the Executive Session meeting at 5:15 p.m.

Assistant Secretary

President

EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
AUGUST 4, 2015
5:30 P.M.

Commissioners Present: Steve Mital, President; John Simpson, Vice President; John Brown, and Dick Helgeson, Commissioners. James Manning was excused.

Others Present: Roger Gray, Mark Freeman, Wally McCullough, Mel Damewood, Lance Robertson, Sue Fahey, Mike McCann, Frank Lawson, Dan Morehouse, Kathy Grey, Lena Kostopulos, Dave Churchman, Deborah Hart, Kim Morgan, Susan Eicher, Jeannine Parisi, Edward Yan, Lisa McLaughlin, Brad Taylor, Roger Kline, Tim Odell, Harvey Hall, Todd Simmons, Matt Barton, Anne Kah, and Taryn Johnson of the EWEB staff; Vicki Maxon, Recorder.

President Mital convened the Regular Session of the Eugene Water & Electric Board (EWEB) at 5:30 p.m.

AGENDA CHECK

There were no comments.

ITEMS FROM BOARD MEMBERS

Commissioner Helgeson noted that he may not be able to attend the September 1 Board meeting upriver due to a vacation beginning toward the end of August.

Vice President Simpson thanked staff for their response on a weekend evening regarding the wholesale price blip and rates.

President Mital asked Taryn Johnson, Executive Assistant to the Board and General Manager, to check to be sure there will be a quorum for the September 1 Board meeting now that two out of five Commissioners are going to be absent.

Commissioner Brown commented that he and Commissioner Manning had worked a three-hour shift at the EWEB booth at the Lane County Fair, and that it was fun to interact with customers and well worth the time spent.

He also reaffirmed that he will be out of the country and cannot attend the September 1 upriver Board meeting, and thanked staff for their help regarding his response to a customer who contacted him about a right-of-way issue in the Oakway Road area.

PUBLIC INPUT

Web Sussman (Ward 1) referred to recent discussions about the use of surplus military equipment by the police, but didn't include use by other City organizations, including EWEB. He explained that the Air Force is in the process of surplus a group of Rampmaster aircraft refueler trucks, which are large high-capacity trucks that are being used in other municipalities as water tankers for fighting fires or to move potable water in an emergency. He noted that there are two different sizes of trucks which have either a 5 KGAL or 6 KGAL capacity, and that, combined with EWEB's emergency water trailers, they would be a very portable way to distribute drinking water around the city in case of a water emergency.

He then commented that he had attended the local Tour of Homes recently and that he was very disappointed to see that local developers weren't encouraging the use of photovoltaics and other alternative energy sources, and that water was not being used as part of the landscaping. He added that these are very expensive homes that apparently depend on EWEB for their water supply, that have huge sprinkler systems without shutoffs, and are missing various other items. He encouraged EWEB to reach out to local developers to encourage them to consider alternative energy sources and also to consider water conservation in their developments.

He then told the Board that this Thursday, August 6, at 7:00 p.m. at the University of Oregon there will be a two-hour presentation regarding subduction zone earthquake possibilities and the potential for a large earthquake in the Eugene area.

William Collinge (Ward At-Large) commented that he had read the July 27 Board memo regarding the placement of telecommunication siting equipment on EWEB poles, and is concerned that there is not an explicit description of how residents would be notified before a decision is made. He noted that the memo refers to taking customer concerns into account but not the mechanism for that, nor does it state at what point that would occur. He stated that he is part of a growing resident group concerned about microwave emissions from this equipment, but that he appreciates what the Board has done with advance metering infrastructure (AMI) and the opt out, and the Board's acknowledgement of the reality of the concerns regarding microwave emissions close to homes and schools. He asked the Board for some kind of explicit plan for inviting and taking into account residents' input before decisions are made about approving or disapproving the siting.

Ray Neff (Ward 1) is a member of Oregonians for Renewable Energy. Regarding the proposed Resolution 1519 for Generation Rates, he voiced concern that the cents/kwhr figure is far lower than the value of solar energy, and he also voiced concern about avoided cost rates. He suggested that a future energy alternative should rely more on environmental impacts and social and environmental benefits, and noted that a recent study found that solar energy consistently brought more value, and that the Public Utility Commission (PUC) is investigating solar energy as a resource for summer 2016. He also requested that EWEB switch to a methodology that includes the full value of solar so that EWEB can properly compensate distributive generation

customers, whether based on PUC or others rules and regulations. He asked the Board to take advantage of all the information that is available.

Regarding the Tour of Homes that Mr. Sussman mentioned, Commissioner Helgeson noted that EWEB does offer programs that promote and engage development with energy conservation, renewables, and water conservation, but that those programs are voluntary and the permitting process doesn't allow EWEB to leverage this in any way, and Code does not currently mandate that.

Regarding the avoided cost rates that Mr. Neff mentioned, Commissioner Helgeson stated that he looks forward to tonight's presentation. He stated that EWEB recognizes the externalities that Mr. Neff mentioned, but reminded the audience that EWEB doesn't have any baseline fossil fuel resources, and that staff generally looks to the Board to include whatever incentives and whatever compensation for those externalities with incentives that are provided up front. He added that he is comfortable with EWEB basing rates after paying incentives at cost, to the extent that EWEB separates out what they pay for the investment.

Vice President Simpson asked the Minutes Recorder for a verbatim copy of Mr. Collinge's testimony.

President Mital asked staff to investigate the possibility of obtaining surplus Rampmaster refueler trucks. Regarding customer generation rates, he noted that the Board had received a backgrounder on the value of solar and, while he agrees with Commissioner Helgeson's comments, he realizes that this is a concern for the rooftop solar customers who want to continue with that energy source. Regarding the telecom policy Mr. Collinge referenced, President Mital will follow up with staff regarding complications or other considerations.

Commissioner Brown echoed the other Commissioners' comments regarding microwave emissions and generation rates for solar. He thanked Mr. Sussman for the information regarding the surplus Rampmaster trucks and for any information that assists the Board to prepare to provide water during a natural disaster.

Commissioner Helgeson added that he had read the staff report regarding the telecom equipment siting, and that the principal judgment will be whether or not the siting of these facilities would be compatible with utility operations, and that he takes a very conservative view on that, as he doesn't want it to be problematic for EWEB's core mission. He asked staff to provide a response, and noted that the applicant would need to first clear the EWEB hurdles and then move on to the City's process.

General Manager Roger Gray, stated that his understanding is also that EWEB's evaluation is technical for compatibility with utility operations, and that the City handles the permitting and public process.

Mel Damewood, Engineering Manager, noted that the siting does not require a true permit, only a right-of-way permit, and that staff has met with the City to ask if they will include a public process or not, and that the discussion is still in process.

President Mital asked Mr. Damewood to keep the Board apprised of the progression of that discussion.

CONSENT CALENDAR

MINUTES

1. a. July 21, 2015 Executive Session

RESOLUTIONS

2. Resolution No. 1522 - Declaring public need to acquire property necessary for the Willamette Plant project. Contact Person is Brad Taylor.

3. Resolution No. 1523 - Ratifying proposed exchange of real property for the Willamette Plant project. Contact Person is Brad Taylor.

ITEMS REMOVED FROM CONSENT CALENDAR

Commissioner Brown pulled items #2 and #3.

It was moved by Vice President Simpson, seconded by Commissioner Helgeson, to approve the remainder of the Consent Calendar. The motion passed unanimously (4-0).

Commissioner Brown clarified that he pulled the items only to clarify process. He noted that while he can't discuss what was covered in the Executive Session, he wants to know if these resolutions address the capacity to use the power EWEB has within legal limits of the Board, and he wondered why the Board would exercise one alternative and not the other.

General Manager Gray clarified that: 1) staff is recommending that we settle; and 2) staff is asking the Board to possibly use eminent domain.

Brad Taylor, Water Operations Manager, clarified that Resolution 1523 authorizes staff to complete the transaction without additional Board approval.

Commissioner Brown then asked for more detailed information about the land parcels. Tim Odell, Right of Way Agent, explained the closing process and noted that appraisals were done on both parcels, which resulted in a "close to even" exchange.

Mr. Taylor added that Resolution 1522 addresses eminent domain and that the transaction that Resolution 1523 addresses is already set in place and doesn't require EWEB to leverage eminent domain. Mr. Odell added that rather than going through a surplus procedure, staff came

before the Board to get authorization to treat the transaction as replacing current property for a better property.

Commissioner Brown stated that he now has a legal question as he has prior involvement in one of the properties, and asked General Manager Gray if he needs to declare a conflict of interest.

General Manager Gray replied that he doesn't need to declare it because of his day job, as he was not involved in the transaction and has no direct or indirect interest, and no bearing whatsoever on the transaction.

President Mital asked if Resolution 1522 authorizes all transactions related to property acquisition or if staff will have to bring back the final request to the Board. Mr. Taylor replied that staff will not have to return to the Board regarding Resolution 1522, specific to that property.

It was moved by Commissioner Helgeson, seconded by Vice President Simpson, to approve Resolution 1522. The motion passed 3-1 (Commissioner Brown abstained).

It was moved by Commissioner Helgeson, seconded by Vice President Simpson, to approve Resolution 1523. The motion passed unanimously (4-0).

PUBLIC HEARING ON 2016 CUSTOMER GENERATION RATES

Peter Reppe (Ward 3), reminded the Board that paying avoided costs as opposed to retail is an option, not a must. He noted that EWEB already took advantage of that option with the Solarize Eugene program, which reimbursed access to power generation at a lower rate, and that not all installers of PVC systems were aware of it at that time. He added that he believes this saves EWEB \$10-15,000 a year, and gave investors a 10-20% penalty on the return investment on their systems, which is rather slim, and that it was a rude awakening to find out that this was actually not true net metering. He asked EWEB to not take advantage of that option any longer and to either pay retail rate or compute the value of a solar rate and develop it, at lower than what has been shown for Portland General Electric (PGE) and Pacific Power.

Commissioner Helgeson stated that this should come with an up-front investment depending on how much total generation is involved and/or at stake, and he agreed with a probably smaller share. He added that once the investment is made, it should come down to who takes a risk on what the value of the power is, and that he remains comfortable with the approach and would rather have a conversation on the incentive side so that everyone knows the profile of the power value going forward.

President Mital stated that by his rough calculation, an average 3 KW system might generate 3,000 KW a year, most used by the house underneath, with what remains sold to EWEB, reducing the rate by a ½ to ¾ penny contemplation, and in the neighborhood of \$15-20 per year per customer. He noted that almost everyone receives \$4,000 up front to put a system

on their roof, so the customer base pays for EWEB being long on power, and the very generous subsidy up front shows support for solar.

2016 CUSTOMER GENERATION RATES: RESOLUTION #1519

Using overheads, Mark Freeman, Energy Management & Customer Service Manager; Adam Rue, Commercial Rate Analyst, and Dan Morehouse, Energy Management Program Supervisor, gave a brief review of the proposed generation rates and answered clarifying questions and comments from the Board.

President Mital noted that the financial impact of these rates is almost negligible, sending a signal to those who might purchase a system and creating a hardship for those who already have one. Mr. Morehouse added that this would also be a signal for a customer to right-size their system.

Commissioner Helgeson asked staff to monitor activity in the solar industry and stats on generation, etc. and to send a report to him periodically, i.e., how much is paid out every year, etc. He added that he doesn't believe that EWEB is recognized enough for all the things they've done and the level of investment, which is high in terms of overall penetration.

President Mital asked if staff has looked into methodologies that others use to value solar. Mr. Rue replied that a diverse group of Northwest utilities wrote a white paper which stated that in general, all used a similar methodology value based on avoided cost. He added that staff is looking at similar items and coming up with different values based on circumstances. General Manager Gray stated that staff will share that report with the Board.

Commissioner Helgeson wondered if it would make sense in the future to hold a public hearing after the staff presentation, and recommended that be done on a trial basis.

It was moved by Vice President Simpson, seconded by Commissioner Brown, to approve Resolution #1519. The motion was unanimous (4-0).

EWEB STRANDED INVESTMENT POLICY: Resolution #1516

Using overheads, Sue Fahey, Finance Manager, and Mr. Rue briefly reviewed the above Resolution and answered clarifying questions and comments from the Board. Ms. Fahey noted that there will also be a revision to Customer Service policies regarding the above.

Commissioner Brown wondered why there is an exit fee for a large customer when they pay to facilitate the building of infrastructure. Mr. Rue replied that that policy hasn't always been in place, and that the exit fee covers costs that were involved prior to it being in place, and other circumstances. General Manager Gray clarified that the costs Mr. Rue is referring to are direct costs and not for generation assets, etc., and are not charged up front.

Commissioner Brown wondered how the exit fee lump sum payment would be collected if a large customer leaves the service territory. Mr. Rue explained that the intent would be to have a policy in place to negotiate with the other utility if it was a transfer or if they're asking to go direct access, and would be subject to policy approval, if within limits of legal authority.

Commissioner Brown then asked what would happen if the company still has considerable assets there for EWEB to recover. Mr. Rue replied that up-front payments would be collected to the extent possible and payment would be collected for a system upgrade when they connect to provide that extra coverage.

Commissioner Brown stated that he hopes a performance bond would be considered. A brief discussion followed.

President Mital validated Commissioner Brown's concern and stated that there needs to be a mechanism in place to enforce the above policy. He wondered about the possibility of triggering some kind of legal action since this policy was developed because of a fairly distinct concern.

General Manager Gray replied that there is no specific transaction pending for that but that it is a growing concern, as the policy follows a many-year practice. He gave the example of the fairly recent Lane Electric Co-Op customer transfer possibility.

Commissioner Helgeson stated that he believes it would be highly advisable to tie contract language into those policies, and he added that he believes a previous major customer paid up front for their water service over time, but long before they shut down their electric service, substation and transmission, and with interest.

Another brief discussion ensued, after which it was moved by Commissioner Helgeson, seconded by Vice President Simpson, to approve Resolution #1516. The vote was unanimous (4-0).

President Mital called for a 10-minute recess.

RIVERFRONT PROPERTY UPDATE

With the aid of overheads, General Manager Gray presented an update on the development of the riverfront property. A brief summary is below:

Overarching EWEB Interests:

- Fair price and known timeline
- Operational needs/customer access protected
- Limitation of long term liability (environmental, building O&M)

*Final authorization lies with EWEB for any deal

City-EWEB Discussion: City Takes the Lead Role

- City acts as agent to market the property for up to five years
- Property (all or pieces) sold to developer(s). EWEB gets minimum price based on “mid-point” of appraisals. Sharing of upside revenue (75/25, 50/50, 25/75 splits).
- EWEB retains sufficient parking for headquarters (two areas removed from surplus)

- Environmental Plan
 - EWEB cleans up known issues (two main spots)
 - EWEB obtains NFA from DEQ for site
 - Up to \$1 million (total known and unknown) is committed by EWEB
 - If issue is > \$1M, then that piece of property is “off the market”

- Operational impacts to headquarters are addressed (e.g., access to south side of headquarters, etc.)
- Timely decisions on Midgley, warehouse (aka “Bow-Truss”), Steam Plant, etc.
- EWEB’s needs and interests are known and stated up front and City is able to negotiate with third parties knowing EWEB’s needs and interests.

- Relocation of utilities and facilities: EWEB is willing to relocate if physically possible, but cost is borne by the requesting party(ies)

Commissioner Brown appreciated staff’s work and supported the concept. He noted the proposed layout for retention of the two properties that will be along new streets, and noted that EWEB need not be assessed for half of those streets, and that he doesn’t want the surprise of “a lot of six-digit numbers.” He asked about the tradeoff for maintenance of the park.

General Manager Gray replied that there will be no changes to the park at all. Regarding Commissioner Brown’s question about the new streets, the developer will have to significantly look at the entire Master Plan, street sizes, etc. He noted that staff will need to deal with parking in an economic way, but not by getting \$1 for \$10 worth.

Commissioner Brown noted that so far, 22 illegal camps on the south side of the river have had to be evacuated. General Manager Gray replied deed restrictions and controls are also in place for the park and that there is strong interest for perpetuity.

President Mital asked how removing the two parcels of land from surplus (3/4 acre, he believes), will affect the two appraisals. General Manager Gray replied that the appraisals were very close to the original assumption and that he doesn’t anticipate a material change for the final, and that the GIS mapping is also close to the original assumption.

President Mital agreed with Commissioner Brown’s concern about EWEB being assessed for new streets along the above two parcels of land, and asked General Manager Gray to re-summarize the upside deal with the City that is planned for that.

Vice President Simpson stated that he is pleased with the proposal and wants to go forth and make it happen. He wondered why the former methane gas plant (MGP) site is not for sale, as the Department of Environmental Quality (DEQ) has approved a closure plan to cap and contain the waste, and if all was removed, the remediation cost would far exceed any value of the sale of the property. He stated that the MGP site needs to be revisited for possible parking use, as the revenue from parking might be nice to have, and the prior owners of the site are supportive of the current remediation plan.

Commissioner Helgeson reminded Board and staff that EWEB did not create the MGP site. He stated that he supports the proposal and also supports putting the City in the lead, but that he believes the appraisals are conservative and include many uncertainties, though he sees more upside than downside potential. He added that he wants to preserve the upside potential for significant value increases.

President Mital echoed Commissioner Helgeson's comments, and stated that he wants the City to remember EWEB's investment of time and money, and come back to EWEB with the upside.

CHANGE IN ACCOUNTING STANDARDS FOR PENSIONS

Ms. Fahey provided an update on recent changes to the accounting standards. She noted that staff has no specific numbers from the Public Employees Retirement System (PERS) yet, but expects to get them in September or October. She added that these changes will have no impact on rates and will not result in cash outflow, and will only result in apparent budget sheet changes.

She then addressed clarifying questions and comments from the Board.

Commissioner Brown asked how these changes will affect EWEB's debt service coverage ratio. Ms. Fahey replied that debt service coverage is related to bonds and isn't included in these changes, and that they won't drop EWEB below its bond covenants. She added that the Board will still make the decisions regarding funding opportunities.

In response to a question from Vice President Simpson, Ms. Fahey briefly explained how assets and liabilities will be evaluated and how those approaches are insulating EWEB from future increases in EWEB's PERS contribution.

Ms. Fahey reiterated that this is merely an accounting change but that both pending decisions will increase employer rates. She added that staff assumes that Legislature will overturn the decisions and that EWEB will have to pay more, but that a substantial cushion has been established to absorb that.

EWEB RATE DESIGN PROPOSAL FOLLOW-UP

With the aid of overheads, Ms. Fahey and Mr. Rue asked the Board for direction on the recently reviewed rate design proposal in order to prepare the 2016 budget.

Commissioner Helgeson:

- Fine with collapsing tiers and leaving the base charge alone
- Commercial time of use (TOU)/participation in pilot – still in a quandary about the rate design we're using, and the 8-cent differential between on and off peak
- As we move forward with the pilot in the commercial sector, try to reconcile that. Right now the off peak rate is below the avoided cost for nighttime energy, so please look at that.

Vice President Simpson:

- Confirm \$5 and \$2 option – is this ultimately revenue-neutral? (yes)
- Buys in and appreciates ratemaking principles, but wants to align internal cost experiences and map those out
- Disservice to the community by not reflecting accuracy of cost. I want the \$10 option but I could live with the other option for the purposes of smoothing
- Appreciate customer bills being more stable - in many cases they need relief in winter months.
- Reiterated that he prefers the \$10 approach but can live with \$5 and get behind whatever the Board ultimately chooses.

President Mital asked who would take advantage of the partial requirements pilot and the non-firm rate. He added that he has a hard time understanding who the client would be and whether it would be worth all the effort to develop.

Mr. Rue replied that the pilot hasn't developed to that point yet, and that the primary emphasis is for commercial TOU and to develop partial requirements with a big-time rebate, curtailable rate, or something along those lines. He added that other options have been talked about but haven't been explored.

President Mital stated that the commercial TOU makes the most sense, and that his concern about the basic charge is for the low-income customer category and what those impacts are. He asked to learn more about the impact on that category and how to provide some base charge relief for them.

Commissioner Brown also voiced concern about the fixed income and low-income customer category, and noted that 61% of customers consume below the average of 1250 KW, and that those customers would get the increase. He said he doesn't want to mistakenly affect seniors in a negative way, and would like to see the difference between those customers with air conditioning and those customers without it, for example. He reiterated that his goal is to protect that category of customers.

President Mital stated that he too is looking for that kind of data before he can be absolutely certain about supporting the proposed rate design, i.e., “how far will \$50 go?” He also stated that he would like to speed up the time frame for installation of the new customer information system (CIS).

ENTERPRISE RISK CALIBRATION

With the aid of overheads, Roger Kline, Enterprise Risk & Internal Controls Manager, led a discussion regarding enterprise risk calibration, and addressed clarifying questions and comments from the Board.

Regarding the possible risk statement that Mr. Kline presented, the following comments were offered:

Commissioner Helgeson:

- The statement generally comports but is not specific or actionable enough to provide much value until we better understand what we’re talking about. Would like to continue the conversation and get better at this science and understand the concepts more.

Vice President Simpson:

- This is a new concept; thanks for crystallizing it. Would like to create a structure by which we can think about all future decisions, using this risk system as a guideline (Triple Bottom Line Plus), and tangible ways for the Board to have staff support for what the risk tradeoffs are (maybe a small statement of the risk spectrum).
- Agree with the tenet of your statement capturing the center line of how we drive the organization.
- A public statement from the Board would require some work and business line divisions would inform.

President Mital:

- It would be great to see where we are in developing a risk statement relative to our peers.

Commissioner Brown:

- We’re \$300 million in debt on four major items
- Would like to move everything to the right with the exception of safety
- Affordability is off the charts. I would move some things around.
- Need to be good stewards of our river.
- That additional \$300 million is not really going to change our efficiency other than AMI. Not retiring any debt, so how can we keep our rates affordable to a big population without moving almost all of those over to the right?

President Simpson agreed with Commissioner Brown about moving everything to the right, and added that he would love to have staff support to tease out the real optimal targets. He added that Commissioner Manning needs to be brought into the loop on this (as he is absent this

evening) with possibly a workshop or a retreat. He noted that it would be best to really optimize the locations of the squares, as he assumes that the Board will have more than seven to choose from, and perhaps that should be done before going deep into Sectionals.

President Mital reiterated his desire to reduce risk.

Commissioner Helgeson agreed with Commissioner Brown's comments and added that unless some of these items are adjusted, there is no set solution. He noted that he struggles with moving dials to right, as he needs a common language and a systematic way to evaluate, and to consider tradeoffs in a way that the Board is not just making a general statement about risk. He also stated that he is more comfortable with having a conversation about language that is familiar and more systematic, as a function of Board ability to work together to have a more systemic way to talk about and evaluate risk.

General Manager Gray gave an example of how the risk tool could be used, for example, to talk about decisions made, staff's evaluation on how it plays into the risk, and how some rate designs aren't applicable or risky for some (i.e., financial decisions).

President Mital stated that if he had his druthers, he would rather sell off generation assets and get in the defensive crouched position, etc., given what is coming in the energy sector.

Commissioner Helgeson voiced the desire to more deeply examine the ramifications of future scenarios and have more of those kinds of conversations.

2015 ORGANIZATIONAL PERFORMANCE, Q2 KEY PERFORMANCE INDICATORS

General Manager Gray and Mr. Kline presented a brief summary of the above. General Manager Gray noted the now-positive direction of the riverfront development process.

Commissioner Brown voiced concern about the large expenditure for the work asset management (WAM) system with no results. General Manager Gray stated that this was an example of a "classic change management failure" and that some parts of the organization were not well-prepared for it. He explained that the software works but that the failure resulted from a combination of system configuration and training issues and also some technical vulnerabilities.

A brief discussion ensued regarding the recent weather (little rain followed by unseasonal heat and a borderline drought) and its effect on revenue. General Manager Gray noted that EWEB's rate structure is still weather-dependent and affected by the wholesale market, and that a Board discussion about policies and rates will be forthcoming.

Commissioner Helgeson stated that he doesn't believe EWEB's information technology (IT) budget is under-funded, but there have been many contributing factors to the recent IT issues. He voiced concern that EWEB is at risk with doing major IT initiatives, which as a culture predisposes EWEB to more bad experiences than good. He added that he would like to

discover why EWEB finds itself in that place and what could be done differently to prepare, manage and select the right software, etc.--whatever could be done to improve those odds.

General Manager Gray noted that in order to be successful, EWEB's business side needs to be more disciplined, needs to get control of the IT situation, and have rational behavior around it, including IT personnel and other changes, and the new CIS.

GENERAL MANAGER EMERGING ISSUES, CORRESPONDENCE AND BOARD AGENDAS

General Manager Gray summarized emerging issues:

- Power market changes are coming faster
- Obama has announced the Clean Power Plan, to take carbon dioxide out of the electric sector. Though EWEB doesn't have a lot of that, there will be a very large indirect impact with probably a lot of new power plants built, which will continue to make the market very difficult, with already threatened litigation.
- Rate design
- Water supply and the drought – continued shortages
- Even with the record heat and a peak of 51 million gallons per day (MGD) of water usage, this is way below EWEB's historical peak, which is an indication of voluntary behavior from customers
- Fires due to the heat and dry land are a growing threat to the infrastructure
- Accession planning
- Alternative water source – from conceptual to early activities
- Assessment of infrastructure and risk of it
- 45" main leak at Hayden Bridge – inspections had already been planned before this happened – will continue to look at critical infrastructure
- Safety numbers in hot weather – underground failures and feeder issues because of high loads from air conditioning with little cooling in temperature predicted
- Squirrel-caused outages are way up

General Manager Gray did not summarize any items for Correspondence or Board Agendas.

BOARD WRAP-UP

Vice President Simpson stated that he liked tonight's switch to put public input in front of Board action, as it seemed that staff was able to integrate the testimony comments into their presentation. He wondered how the public felt about it.

Commissioner Helgeson voiced the desire to continue the switch for a while.

President Mital thanked Mel Damewood, Engineering Manager, for the EL-1 reports, and added that he would like to relieve staff of the duty to submit the small contract report unless he specifically asks for it.

Commissioner Brown and Vice President Simpson stated that they would in fact like to continue to see the small contracts report.

Regarding electric rate comparisons between EWEB's peers, President Mital stated that EWEB customers only care about what their bill is, and he noted that the contribution in lieu of tax amount is not included in that, but he would like it to be. A brief discussion ensued.

President Mital also stated that he wants to be clear about what any metrics really mean when there is a lot of decision-making around them.

President Mital adjourned the Regular Session at 8:50 p.m.

Assistant Secretary

President

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve an Amendment to the Contract with **Baker Tilly Virchow & Krause LLC** for **Inventory, Supply Chain, Work and Asset management – industry practice implementation services**.

Board Meeting Date: September 1, 2015

Project Name/Contract#: PSC 2356

Primary Contact: Sue Fahey Ext. 7688

Purchasing Contact: Ramie Alkire Ext. 7413

Contract Amount:

Original Contract Amount: \$ 149,390

Additional \$ Previously Approved: \$ 0

Invoices over last approval: \$ 0

Percentage over last approval: 14 %

Amount this Request: \$ 21,110

Resulting Cumulative Total: \$ 170,500

Contracting Method:

Method of Solicitation: Informal RFP

If applicable, basis for exemption: n/a

Term of Agreement: 12/13/13 – 9/30/15

Option to Renew? No

Approval for purchases “as needed” for the life of the contract No

Narrative:

The Board is being asked to approve an Amendment with **Baker Tilly Virchow & Krause LLC** of Madison, WI for the purchase of **Inventory, supply chain, work and asset - industry practice implementation services**.

EWEB requires these services for use in EWEB’s inventory, supply chain, work and asset management. Contract objectives are to facilitate and analyze inventory practices, policies, and provide strategic direction. Contracted services include assisting with resolution of the audit inventory material finding; perform a gap assessment of current inventory practices; aid EWEB in developing industry standard business processes and policies that meet necessary inventory controls and asset management; and provide training on inventory business processes within the supply chain system.

In 2013 staff issued an informal Request For Proposal (RFP). EWEB received three proposals from Five Point of Atlanta, GA, Moss Adams of Eugene, OR, and Baker Tilly Virchow & Krause LLC of Madison, WI. The responses were evaluated based on each company qualifications, experience, and fees. Based on the evaluation criteria, staff selected and negotiated a contract with Baker Tilly Virchow & Krause LLC. Baker Tilly Virchow & Krause LLC was awarded the contract due to their extensive financial background, specifically in utility accounting, inventory, and provision of audit and financial accounting services to over 15 public utilities, along with their competitive cost.

The initial contract amount was under \$150,000 and therefore did not require Board approval. However, due to the extensive nature and complexity of the services and project it was deemed necessary to perform additional review of inventory processes and policy and provide additional training to staff on EWEB’s supply chain system. Baker Tilly Virchow & Krause, LLC extensive familiarity with EWEB’s financial and inventory systems and availability put them in a unique position to provide this service prior to EWEB’s next audit.

Action Requested:

☐ Contract Award
☐ Contract Renewal
☒ Contract Increase
☐ Other

Funding Source:

☒ Budget
☐ Reserves
☐ New Revenue
☐ Bonding
☐ Other

Form of Contract:

☐ Single Purchase
☐ Services
☒ Personal Services
☐ Construction
☐ IGA
☐ Price Agreement
☐ Other

This additional work increased the contract amount over the Board approval threshold and above the threshold for formal solicitations. Staff is now seeking Board approval.

ACTION REQUESTED:

Management requests the Board approve an Amendment with **Baker Tilly Virchow & Krause LLC** for **WAM Inventory Module Implementation Services**. Funds for these services were budgeted for 2015.

SIGNATURES:

Project Coordinator: _____

LT Manager: _____

Purchasing Manager: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____

**RESOLUTION NO. 1525
SEPTEMBER 2015**

**EUGENE WATER & ELECTRIC BOARD
WESTERN GENERATION AGENCY
EWEB BOARD APPOINTMENT**

WHEREAS, the Eugene Water & Electric Board Governance Policy (GP) 12 provides for the use of committees, outside appointments and liaisons to staff managed work assignments as a means of gathering and disseminating information, representing the Board and providing preliminary input to Board decisions; and

WHEREAS, EWEB Board Policy GP12 further states that all committees, outside appointments and liaisons be created by Resolution and that all appointments to said committees, outside appointments and liaisons be made by resolution; and

WHEREAS; one Western Generation Agency Board member has requested to resign from the Board, creating a vacancy;

NOW THEREFORE BE IT RESOLVED that the Eugene Water & Electric Board appoints Mike McCann, Generation Manager, to the Board of the Western Generation Agency.

Dated this 1ST day of September 2015

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President

I, Taryn M. Johnson, the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its September 1, 2015 Board Meeting.

Assistant Secretary