

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
APRIL 19, 2016
12:15 P.M.**

** Audio file available to the public upon request.*

Commissioners Present: John Simpson, President; John Brown, Vice President; Steve Mital, Dick Helgeson and James Manning, Commissioners.
(Commissioner Manning departed at 12:54 p.m.)

President Simpson convened the April 19, 2016, Regular Session at 12:15 p.m.

AGENDA CHECK

PUBLIC INPUT

Will Rutherford encouraged EWEB to be proactive and take a leadership role with regard to telecom.

Board Discussion:

- EWEB involvement would require discussions with City of Eugene.
- A commissioner voiced general support for an effort to explore ways to use surplus in a way that supports higher speed access for the upriver community
- A voice communication carrier has stepped up to provide broadband service to the upriver community. EWEB will hold an informal meeting for the upriver community in September and plans to have a component of telecom, however a large scale presentation does not appear to be necessary.

BOARD ACTION ITEMS

Electric & Water Capital True Up and Budget Amendments

With the aid of a visual presentation, Mel Damewood, Engineering Manager, described the overall capital budget status for the electric and water utilities and the budget amendments before the Board for approval. Mr. Damewood responded to questions from the Board, he clarified that the requested Board action approves one year of the Capital Improvement Plan (CIP). He further explained that the CIP is organic and that strategies will be adjusted as EWEB works through the 10 year plan and reprioritizes as needed. The CIP will be adjusted as projects change; this is a true up of schedule as well as budget. The EL1 report is provided on a quarterly basis to keep the board informed of progress on capital work.

James Manning moved to approve the Electric Utility Budget Amendment #1. The motion was approved unanimously (5-0).

James Manning moved to approve the Water Utility Budget Amendment #2. The motion was approved unanimously (5-0).

Resolution No. 1612, Reserve Fund Status and Transfers

Susan Eicher, General Accounting & Treasury Supervisor and Aaron Balmer, Senior Accounting Analyst described the electric and water utility transfers, the reserve fund and Management's recommendations and then answered questions from the Board.

Board Discussion:

- Commissioners requested additional information about the history of deposits to the Alternative Water Supply fund.
- If EWEB's financial situation is substantially better than budget, and if there not an otherwise urgent or priority need for the money, several Commissioners expressed support for consideration of putting additional money into the AWS fund. Susan Fahey, Finance Manager offered that the PERS obligation is unknown at this time; more information will available in October. Management will make a recommendation next year for the best use of any available funds.

Commissioner Manning moved to approve Resolution No. 1612. The motion passed unanimously (5-0)

Commissioner Manning departed at 12:54 pm.

GENERAL BUSINESS ITEMS

Electric System Planning Update

Mel Damewood, Engineering Manager, Frank Lawson, Systems Engineering Supervisor and Richard Jeffryes, Senior Engineer used a visual presentation to highlight the goals of the Electric System Plan which include prioritizing the replacement program by safety, reliability, obligation to serve, regulatory requirements and cost; evaluating and changing the system including redesign/redeployment of assets to optimize long-term utilization; resiliency; and improving system automation, delivery efficiency, and balance between localized generation and consumption. Management responded to a question from the Board by explaining that next steps include integration with the Integrated Electric Resource Plan (IERP). EWEB has also tried to build flexibility into the financial aspect to accommodate micro grids, etc.

Board Discussion:

- The Board is appreciative of the information presented and the discussion about tradeoffs.
- Perhaps there is opportunity to demonstrate scenarios for asset replacement and possible outcomes of turning the dials. Management acknowledged that asset replacement is a dial that can be turned, however it involves risk.

- Action is not required to approve the plan, however there may be value in memorializing the Board's support for the plan. Staff responded by explaining that the plan is a living document.

President Simpson adjourned the Regular Session at 1:37 p.m.

Assistant Secretary

President