

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
October 3, 2017
5:30 P.M.**

Commissioners Present: Dick Helgeson, President; John Brown, Vice President; Sonya Carlson, Steve Mital, Commissioners

Absent: John Simpson, Commissioner

Others Present: Mel Damewood, Chief Water Engineering & Operations Officer; Sue Fahey, Chief Financial Officer; Deborah Hart, Senior Financial Analyst; Lance Hughes, Safety Consultant; Frank Lawson, General Manager; Rod Price, Chief Electric Engineering & Operations Officer; Jerry Reller, Financial Analyst; Nate Shultz, Financial Analyst

President Helgeson called the Regular Session to order at 5:29 p.m.

Agenda Check

There were no changes to the agenda

Items from Board Members and General Manager

- Commissioner Carlson offered that she had recently attended Neighborhood Meetings in Santa Clara and the River Road area. She said that she also recently met with Mary Ellen Bennett from the Lane County Human Services Division.
- Commissioner Mital said that he too attended the meeting with Ms. Bennett. He said that he had also been meeting informally with members of the Springfield Utility Board in order to build relationships.
- Vice President Brown announced that he recently presented an award to a student at Buena Vista Elementary for their work on the Elementary School Disaster Preparedness poster contest. He also announced that Mr. Lawson would be speaking at the Eugene City Club on Friday, October 13. Vice President Brown urged the utility to educate the homeless who live along the McKenzie to move their encampments away from the river.
- President Helgeson said he appreciated the upriver meeting in September. He reported that he represented the Board at the Fall Northwest Public Power Association (NWPPA) Trustees Meeting in Salt Lake City. From that meeting, he reported that there would be no changes to the NWPPA's dues structure for next year. President Helgeson said he did not anticipate much progress on either National energy policy, or climate change legislation.
- Mr. Hughes offered the Board a report on the EWEB Health & Safety Expo.
- Ms. Fahey offered the Board an update on debt and bond issuance.

Public Input

Webb Sussman of Eugene expressed thanks to the Board for listening to his input and observations concerning EWEB's web page. He urged the Board to have plans in place to not only repair, but to improve the utility's infrastructure in the event of a catastrophe.

Mary Ellen Bennett of Eugene shared some preliminary data on the EWEB Customer Care program (ECC).

Keith Kueny of the Community Action Partnership of Oregon (CAPO) urged the Board to keep low-income programs intact.

Will Rutherford of Vida thanked the Board members and staff who took part in the upriver meeting on September 19.

Commissioner Mital expressed regret at missing the upriver meeting. He said that he had been taking criticisms and feedback on EWEB's low-income programs, and that he would continue to do so, to make sure those programs remained, and were running as efficiently as possible.

Vice President Brown said the utility was looking into the weatherization of rental properties, in an effort to alleviate energy costs for the low-income population.

Commissioner Carlson thanked Mr. Sussman for his work on the EWEB website. She offered that she was looking forward to going through the materials provided her by Ms. Bennett as per EWEB's low-income programs.

President Helgeson wondered if, as part of EWEB's Cost of Service work, the cost of low-income programs was allocated to the Commercial Sector.

Ms. Fahey replied that staff was currently at work on that issue.

BOARD ACTION ITEMS

Approval of Consent Calendar

MINUTES

1.
 - a. September 5, 2017 Regular Session
 - b. September 19, 2017 Special Meeting
 - c. September 22, 2017 Executive Session

CONTRACTS

2. **Christenson Electric, Inc.** - for Electric Utility Line Work Crews. \$550,000 (includes \$185,000 estimated through September 2017). Resulting Cumulative Total \$1,465,000. Contact Person is Rod Price 541-685-71223.

3. **DocuTRAK Imaging, Inc.** - for Record Storage Services \$150,000 (over 5 years). Contact Person is Sue Fahey 541-685-7688.
4. **VERB Marketing + PR** - for Advertising and Marketing Services. \$250,000 (over 5 years). Contact Person is Rene Gonzalez 541-685-7113

RESOLUTIONS

5. **Resolution No. 1723** - Update to Board Policy GP6, Rules of Conduct. Contact Person is Sue Fahey 541-685-7688
6. **Resolution No. 1721** - Authorizing the General Manager to amend existing power sales and services agreement with the University of Oregon. Contact Person is Mike McCann 541-685-7379

Approval of Consent Calendar - Items 1 through 5

Commissioner Carlson pulled Item 4 from the Consent Calendar.

Vice President Brown pulled Item 3 from the Consent Calendar.

Commissioner Mital moved to approve the Consent Calendar with the exception of items 3, 4, and 6. The motion carried unanimously 4:0.

Items Removed From Consent Calendar

Vice President Brown wondered why EWEB was spending \$30,000 a year to store boxes, when the utility has plenty of land that could be used to build their own storage facility.

Mr. Lawson said there were other factors in play such as security. He added that staff could look at the possibility.

Commissioner Mital asked if there were any rush to approve this item on the Consent Calendar.

Ms. Fahey said that currently the boxes in question were being stored in Portland, and staff would like to get them closer, which equals environmental impacts. She also offered that it would take some time to build a building in which to store said boxes.

Vice President Brown wondered if the utility could get out of the five-year contract with DocuTRAK in two or three years.

Ms. Fahey answered that it was an annually approved contract.

Vice President Brown moved to approve Consent Calendar item 3. The motion carried unanimously 4:0.

Commissioner Carlson said that the original contract with VERB Marketing for \$750,000 seemed antithetical to EWEB's commitment to affordability. She expressed curiosity at what led to the original contract amount of \$750,000.

Mr. Lawson stated the original \$750,000 came from looking at past circumstances at the utility, but was amended to the current contract amount of \$250,000 when the future of the utility was taken into consideration.

Vice President Brown wondered if the \$21.7 million dollars for Customer & Community Relations in 2017 was for marketing such as what is being created for EWEB by VERB Marketing.

Mr. Lawson responded that figure represented the entire Customer & Community Relations division, not just for contracts like the one with VERB.

Commissioner Carlson moved to approve Consent Calendar item 4. The motion carried unanimously 4:0.

Mr. Lawson offered the Board an overview of Consent Agenda Item 6.

Commissioner Mital recused himself from the vote due to his employment as the Sustainability Director at the University of Oregon.

Vice President Brown opined that the contract with the University was a win-win situation.

Vice President Brown moved to approve Consent Calendar item 6. The motion carried 3:0, with Commissioner Mital recusing himself.

Resolution No. 1725, Water Utility Fees - Customer Service Policy Update

Mr. Damewood offered the Board a report and Power Point presentation on Resolution No. 1725.

Vice President Brown commended staff for their work in simplifying the water utility fees process and the sense of predictability that brought to the utility.

President Helgeson asked staff to look at the adequacy of the charges in light of the utility's actual cost annually, or at least, periodically. He wondered if water system main extension work was being done in-house, or were the developers performing it.

Mr. Damewood responded that was the responsibility of the developer at this time.

Commissioner Carlson moved to approve Resolution No. 1725. The motion carried unanimously 4:0.

GENERAL BUSINESS ITEMS

2018 Draft Electric & Water Budgets and Long-Term Financial Plans (LTFP): Update

Ms. Fahey, Ms. Hart, Mr. Reller, and Mr. Shultz offered the Board an update and Power Point presentation on the 2018 Draft Electric & Water Budgets and Long-Term Financial Plans.

Public Hearing on 2018 Budget Assumptions & LTFP

President Helgeson opened the Public Hearing at 6:50 p.m., and seeing no one who wished to speak, closed the Public Hearing at 6:51 p.m.

2018 Draft Electric & Water Budgets and LTFP: Direction

Commissioner Carlson asked how the potential PERS pay down would affect the LTFP metrics.

Ms. Fahey responded that if the Board decided to use reserve funds which were set aside for pension costs, LTFP assumptions would drop by approximately \$14 million, and consequently, the current PERS rate would be reduced.

Vice President Brown asked if the wage escalation from 2.4% to 3.5% was based on projection.

Ms. Fahey replied that it was just a projection.

Vice President Brown wondered if the sale of the headquarters building and the sale of the two wind facilities were factored into the proposed budget.

Ms. Fahey said they were not.

Commissioner Mital asked for clarity around the mandated spill.

Mr. Reller clarified there was a two-year test period in order to dial in the exact amount of future mandated spills.

Commissioner Mital expressed concern that there was \$500,000 in education grants, but that amount had not been looked at closely for some time.

President Helgeson said he was proud that the utility was able to absorb the cost increases which went into effect October 1.

Commissioner Carlson expressed reservations about the idea of dividends, and the expectations that it could set up in the community.

Vice President Brown thanked the financial team for their work, and said this is the best budget that he had yet seen as an EWEB Commissioner.

Community Investment/Education Grants and Proposed Update to Board Policy EL3

Mr. Lawson offered the Board a report on Community Investment/Education Grants and the proposed update to Board Policy EL3.

Vice President Brown asked, since any expenditure over \$10,000 must go to the Board for approval, could staff handle any number of requests which were lower than \$10,000.

Mr. Lawson said that his discretionary budget did have limits.

Commissioner Mital offered that it should be clearly stated that the General Manager's discretionary budget items should align with the utility's Strategic Plan.

Break

President Helgeson called for a 10-minute break at 7:20 p.m. He reconvened the meeting at 7:32 p.m.

Advanced Meter Deployment - Lessons Learned, Benefits, and Deployment Rate

Mr. Price offered the Board a report and Power Point presentation on Advanced Meter Deployment.

President Helgeson said he was in support of questioning an opt-in versus opt-out option for Advanced Metering (AMI).

Commissioner Carlson stated she was in favor of AMI, and said it had the ability to solve many problems, such as the charges associated with deposits and disconnecting/reconnecting, which might prove problematic for low income rate payers. She also expressed concern over protecting customer information when said information is electronic, as per AMI.

Vice President Brown suggested an AMI rollout on some of the student housing complexes in Eugene.

Mr. Price said there were many problems currently surrounding a fast install of AMI.

Commissioner Mital stressed the importance of a regular replacement schedule for AMI. He said he was ready to revisit the opt in/opt out question.

President Helgeson offered the utility could do a better job of responding to rate payer concerns surrounding AMI.

EWEB Headquarters Options and Long-Term Impacts

Mr. Lawson offered the Board a report and Power Point presentation on EWEB headquarters options and long-term impacts.

Vice President Brown asked what percentage of EWEB customers came in and paid with cash or check as opposed to credit card.

Mr. Lawson said he did not know.

Vice President Brown posited that it was important to have a full-service center to maintain a connection with the community.

Mr. Lawson said that staff was currently looking into other bill pay options outside of coming into EWEB or paying online.

Commissioner Mital announced that he was in favor of EWEB having a presence downtown, and not necessarily the Riverfront site.

Commissioner Carlson said she would like to recognize EWEB rate payers who don't necessarily have access to banking and/or credit cards. She said she would like to look at how EWEB is handling, and will handle, that group of customers.

President Helgeson stated that he too would like to see an EWEB presence downtown.

Vice President Brown said the ROC was out for him as a customer service center, citing accessibility and parking, especially for seniors. He added that the EWEB Board should share their meeting space with other bodies, since they only use it approximately 10 times a year.

President Helgeson asked Mr. Lawson if he knew where Commissioner Simpson stood on the issue.

Mr. Lawson responded that, based on an earlier conversation on the topic, Commissioner Simpson had stressed the importance of accessible technology.

Vice President Brown asked if they could consider leasing the Midgely building.

Mr. Lawson said that option could be explored.

Mr. Lawson asked the Board their position on declaring surplus of the headquarters building, and when.

Vice President Brown said he would like to have an executive session on the matter.

Correspondence & Board Agendas

Mr. Lawson offered the Board a report on correspondence and Board agendas. He said that staff would like to come back to the Board in December for a conversation on how to proceed where EWEB's surplus property was concerned.

Commissioner Mital wondered, given the amount of EWEB's surplus property, why only approximately 3% of that property was currently being discussed.

Mr. Lawson said the 3% initial estimate was purposefully very conservative, while the utility gets its bearing vis-à-vis surplus property management.

Board Wrap Up

Vice President Brown pointed out that EWEB spends a lot of time and effort on the annual customer survey, and each year, the most salient takeaway is source protection.

President Helgeson said that he had followed up on the topic of question and answer sessions between the Board and staff being included in the meeting minutes. He said he was hoping to bring the matter to a close, so that staff would have a direction on it.

Vice President Brown said he was in support of including these conversations in public record, but he wanted to make sure that method would be fair to staff.

Commissioner Carlson stated that she supported making those conversations matters of public record in the interest of transparency.

Commissioner Mital said that he was also in support.

President Helgeson also was in favor. He offered that an extra link for these Q & A sessions be provided next to the corresponding meeting's agenda on the EWEB website.

Commissioner Carlson said she wanted to make sure EWEB was working with the Bethel School District on resiliency initiatives.

Adjournment

President Helgeson adjourned the Regular Session at 8:58 p.m.

Assistant Secretary

President