

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
March 6, 2018
5:45 P.M.**

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

Commissioners Present: John Brown, President; Sonya Carlson, Vice President (via teleconference); Dick Helgeson, Steve Mital, John Simpson, Commissioners

Absent: None

Others Present: Rachel Chilton, Communication Specialist; Jeff Elder, Evans, Elder, Brown & Seubert; Sue Fahey, Chief Financial Officer; Julie McGaughey, Customer Operations Manager; Lisa McLaughlin, Environmental Supervisor; Frank Lawson, General Manager; Rod Price, Chief Electric Engineering & Operations Officer

President Brown called the Regular Session to order at 5:41 p.m.

Agenda Check

There were no changes or additions to the Agenda.

Items from Board Members and General Manager

- Commissioner Helgeson reported that he would be up for reelection as liaison to the Northwest Public Power Association (NWPPA).
- Commissioner Mital said that he had noticed a lot of EWEB advertisements on Facebook; he thanked staff for putting EWEB on a more competitive footing. He also said that he was not able to find the Low-Income Review on any upcoming meeting agendas.
- President Brown said the property owners up the McKenzie were not reporting illegal camping as they should, instead EWEB was doing it, and he didn't feel like that was EWEB's responsibility. President Brown wondered if a change in ownership of the property directly above EWEB's intake might be in order. He asked the Board if they were okay with him drafting a letter to Willamalane, asking them to be better stewards of their property.
- Commissioner Simpson reminded those present that his seat on the EWEB Board would soon be up for grabs, and the race for that seat was heating up.

Public Input

Jenny Bennett of Eugene, and Summit Bank, thanked the EWEB Board for doing business with, and investing in Summit Bank.

Jim Neu of Eugene thanked the Board for their support of incentives for EWEB customers through March 31 to switch from fracked gas or oil-burning systems to heat pump systems. He also said he was in favor of the AMI opt-out idea.

Commissioner Helgeson expressed surprise at not hearing more public comment about Advanced Metering. He wondered if there was any value in finding former Board views on AMI.

Commissioner Mital thanked Ms. Bennett for setting the example of coming down in person to tell the EWEB Board that her organization appreciates EWEB's business. He agreed with Commissioner Helgeson's thought regarding Board views on AMI.

President Brown thanked both members of the public for their thoughts.

BOARD ACTION ITEMS

Approval of Consent Calendar

MINUTES

1. February 6, 2018 Regular Session

BOARD APPOINTED CONSULTANTS

2. Luvaas Cobb Attorneys at Law - for General Counsel Services for the EWEB Board of Commissioners. \$50,000 (over five years).

3. Arnold Gallagher P.C. - for Real Estate Legal Counsel Services for the EWEB Board of Commissioners. \$50,000 (over five years).

4. Watkinson Laird Rubenstein P.C. - for Real Estate Legal Counsel Services for the EWEB Board of Commissioners. \$50,000 (over five years).

CONTRACTS

5. WESCO Distribution - for the periodic purchase of Three Phase Submersible Transformers. \$170,000 (over 5 years).

6. Wildish Building Company - for Construction Services for the construction of the Smith Dam Debris Booms. \$426,000.

7. WorleyParsons - for a Battery Energy Storage System. \$990,000.

Commissioner Simpson pulled Item 7

Mr. Lawson pulled the February 6, 2018 minutes.

Approval of Consent Calendar

Commissioner Simpson moved to approve the Consent Calendar without Item 7 and the February 6, 2018 minutes. The motion passed unanimously 5:0.

Items Removed From Consent Calendar

Commissioner Simpson wondered about the allocation split for Water and Electric with the contract in question. He said he did not understand why the Water side of the project received no allocation during this contract.

Mr. Price said the project, and contract for same, was under Electric budgeting, and totally separate from the Water budget. He clarified that this contract did not deal with pumps, but was solely focused on energy supply to said pumps.

Commissioner Mital asked if the project represented by Item 7 on the Consent Calendar was a new project, or a redirect.

Mr. Price replied the project was a redirect.

Commissioner Mital stressed the importance of the utility finding a liquid fuel source for a source of power during an outage. He asserted that a cost-comparison to this end should be pursued.

Commissioner Simpson moved to approve Consent Calendar Item 7. The motion passed unanimously 5:0.

Mr. Lawson felt that a comparison he had made between the carbon content and carbon intensity of EWEB's fleet vs. EWEB's generating resources required clarification. He said the fleet generated roughly 1,500 tons of carbon emissions annually, whereas EWEB's generation resources (mostly from BPA), when added all together, came to approximately 30-35,000 tons per year.

Commissioner Helgeson moved to approve the February 6, 2018 minutes. The motion passed unanimously 5:0.

GENERAL BUSINESS ITEMS

EWEB Headquarters Options

Ms. McLaughlin and Mr. Elder offered the Board a report and Power Point presentation on EWEB Headquarters options.

President Brown asserted that although he and Mr. Elder worked at the same firm, there was no conflict of interest. He also stated that although he helped put EGI/Philips in the building, he did so without compensation of any kind.

Commissioner Simpson said he was in favor of preserving the revenue stream, and that any timeframes involving EWEB's Declaration of Surplus, be paralleled or collapsed as much as possible and explore any possible opportunity to do something like a pre-declaration. He also said he was interested in leveraging the value of the current tenant.

Commissioner Helgeson announced his support for option number three on the Power Point presentation, which reads: "Do not reconfigure for multi-tenancy. Lease with a single tenant that likely will not require the entire space."

Vice President Carlson agreed that holding onto a tenant would be a good idea. She posited that the sale would take many years, and it would be best to wait and see what will happen, possibly extending any contracts that would be necessary to extend.

Commissioner Mital also agreed with option three.

President Brown also agreed with option three, but he reminded the Board that the decision of where EWEB's customer service center would be still needed to be addressed.

Mr. Lawson said this conversation was very helpful to the decision of where EWEB customer service will be located.

Customer Policy Revisions and Advanced Metering Communication Blueprint

Ms. Fahey and Ms. McGaughey offered the Board a report and Power Point presentation on Customer Policy Revisions.

Commissioner Simpson thanked staff for their diligence in putting together the policy changes.

Commissioner Helgeson declared his support for the policy revisions; he said he would like to see a restructuring of the information on the website, to make it more readily accessible to EWEB customers. Commissioner Helgeson asked if the previously-approved Advanced Metering Deployment and Implementation Options, Resolution No. 1811, A Resolution Amending Resolution No. 1322 Regarding Advanced Metering Infrastructure, rescinded the principals that were agreed upon before the Resolution in question.

Mr. Lawson answered that it did.

Commissioner Helgeson asked if that was staff's intent.

Mr. Lawson replied that it was. He felt that those principles were better captured in other ways that staff worked with the Board.

Vice President Carlson said she liked the way in which staff had reorganized toward the Strategic Plan. She said she was intrigued by the Customer Bill of Rights, although she expressed caution at what was in the final draft of the Customer Bill of Rights.

Commissioner Mital said he was supportive of the direction staff was heading, but he said he would need more time to become completely comfortable.

President Brown wondered about the added language in the resale of utility services portion of the proposed revisions. He said the majority of mobile home parks in the area have single water meters, and the mobile home park sells the water flowing through that meter to the units therein. He inquired if this is a change to the policy.

Ms. Fahey said she does not believe we changed that language but would look at it more closely; the way the language is worded is that they can only divide it up based on the total of the bill and cannot charge excess, however it is true that EWEB does not monitor that.

Commissioner Mital said he would like to flag that issue going forward.

President Brown asked why EWEB didn't assess System Development Charge (SDC) fees for fire hydrants.

Ms. Fahey said staff would get back to him with an answer.

Commissioner Simpson said he would like to see language clearly defining all aspects of opt-in/opt-out.

Ms. Chilton offered the Board a report and Power Point presentation on the Advanced Metering Communication Blueprint.

Commissioner Helgeson wondered when the informational aspect would begin.

Ms. Chilton answered that staff was starting Phase I at present.

Commissioner Helgeson asked when the Board would receive updates on the process of the project.

Ms. Fahey said the Board would be receiving updates monthly.

Commissioner Helgeson asked when the kickoff for this project would be.

Ms. Chilton said she doubted the average customer would see any change, so she was not sure if an announcement to EWEB customers was necessary.

Vice President Carlson asked if the AMI communication roll-out would be region-specific.

Ms. Chilton said that was correct. She said the plan was to roll-out AMI communications by route.

Vice President Carlson wondered how long the AMI communication roll-out would take.

Mr. Lawson said the full deployment was scheduled to take 8-10 years.

President Brown asked what was meant by notice to customers whenever feasible, and for staff to give an example of when it would not be feasible and if it wasn't, what would the utility do?

Ms. Chilton responded that was one of the "what if" scenarios that staff would plan for; such as when a customer is out of town and something happens and their meter has to be replaced that day. First, follow the process to make sure we notified that customer in every way we had available. Second if we couldn't give proper notification as outlined in the plan, how we would respond to that.

Commissioner Simpson reminded those present that AMI was not just about electrical meters, but was also about water meters. He felt that should be a part of the AMI communication blueprint.

Commissioner Helgeson asked if it would only be the EWEB account holder with the ability to opt out of AMI.

Ms. Fahey said that was correct.

Mr. Lawson opined that opt-out was not just about the technology, but about products and services as well.

Break

President Brown called for a break at 7:15 p.m., and reconvened the Regular Session at 7:30 p.m.

General Manager's Annual Performance Evaluation for 2017

President Brown stated the Board had met earlier in Executive Session and discussed the General Manager's performance; he added that each Board member had provided a written performance evaluation for the General Manager.

Commissioner Simpson offered that he was very pleased with Mr. Lawson's performance as EWEB General Manager.

Commissioner Helgeson thanked Mr. Lawson and staff for their hard work and dedication to the utility.

Vice President Carlson thanked Mr. Lawson for his service to EWEB.

Commissioner Mital thanked Mr. Lawson for his service to EWEB.

President Brown thanked Mr. Lawson and staff for their hard work and dedication to the utility.

Preliminary Residential Electric Pricing Committee Findings

President Brown announced the person set to give the presentation on Preliminary Residential Electric Pricing Committee Findings was not in attendance; he suggested pushing the item to a future agenda. The Board concurred.

Correspondence & Board Agendas

Mr. Lawson offered the Board a report on Correspondence & Board Agendas.

President Brown commended Mr. Lawson on going after the funds necessary for Electric System Outage Reduction Opportunities.

Commissioner Simpson wondered if EWEB was replacing the Open Access Transmission Tariff (OATT), because it was simpler than the FERC guidelines.

Mr. Lawson said that was correct.

Commissioner Helgeson wondered which customers would be affected by the tariff.

Mr. Lawson replied that currently three EWEB customers would fall under the tariff: Portland General Electric, Springfield Utility Board, and the University of Oregon.

Board Wrap Up

Commissioner Simpson said he would like to see more public participation; both public testimony and staying for the presentations.

Commissioner Helgeson said he would like to see a firm decision document that addresses issues which have been raised during the five-year AMI process.

Vice President Carlson wondered if there were any further updates on the Weyerhaeuser sale mentioned in the Register Guard.

Mr. Lawson reported that EWEB is presently only proposing to buy the portion surrounding the substation as well as along the river; this parcel is not inclusive of where the individual in the paper is currently residing.

Adjourn

The presenter of the Preliminary Residential Electric Pricing Committee Findings entered the meeting after Board Wrap Up. President Brown asked the Board again, if they would be comfortable pushing this agenda item to a future meeting. All said they would be.

President Brown adjourned the meeting at 8:01 p.m.

Assistant Secretary

President