

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
June 5, 2018
5:30 P.M.**

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

Absent: Dick Helgeson

Others Present: Susan Ackerman, Chief Energy Officer; Greg Brownell, Portfolio Management Supervisor; Rachel Chilton, Communications Specialist; Mel Damewood, Chief Water Engineering & Operations Officer; Sue Fahey, Chief Financial Officer; Rene Gonzales, Customer Solutions Manager; Deborah Hart, Interim Financial Services Manager; Tia Marie Harwood, Interim General Accounting Supervisor; Chris Irvin, Engineer; Leslie Kidd, Accounting Analyst; Frank Lawson, General Manager; Mike McCann, Generation Manager; Julie McGaughey, Customer Operations Manager; Jeannine Parisi, Customer Relationship Manager; Anna Wade, Business Line Manager; Michael Whitlock, Whitlock Consulting Group

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

Agenda Check

There were no changes or additions to the Agenda.

Items from Board Members and General Manager

- Vice President Carlson reported that she had the pleasure of attending a recent town hall meeting at Aubrey Park Elementary. She said she had also attended the Parachutes for the Planet event, but she did not see any signage pointing to EWEB's involvement in the event.
- Commissioner Simpson reported that he recently attended the OPEB (Other Post-Employment Benefits) Board meeting, and based on updated benefits and assumptions, the total open liability increased from \$24 to \$42 million. He also reported he would be traveling to Las Vegas next week with Mr. Damewood to the American Water Works Association (AWWA) conference, where Mr. Damewood would be receiving a Safety Award. Commissioner Simpson wondered what the Board thought of bringing in an LCOG representative to give the Board a rundown of what is happening currently at LCOG.
- Commissioner Mital said that he had received phone calls from some of his constituents urging him, and the Board, to integrate Climate Change and Emissions Reduction into not only the Strategic Plan, but the utility's Climate Action Plan as well. He expressed concern that the public was not totally aware of all the work EWEB is doing to further the goal of integrating Climate Change and Emissions Reduction in the Strategic Plan, and the Climate Action Plan.

- President Brown said that he would like staff to draft a letter of appreciation for the receipt of the well from the Jeffries. He said he fielded a few calls concerning the recent canal and dam shutdown upriver; he asserted the utility should be announcing its plans to manipulate the river to the public. He also said he would like more information on the Deer Creek study. Finally, he said he would like to see the Oregon Public Utility Commission (PUC) taking more responsibility for the power lines that belonged to them and not EWEB.
- Mr. Lawson said the utility could change its PUC collection fees in order to recoup funds paid for the PUC's lines.

Public Input

Jim Neu of Eugene thanked EWEB for addressing residential lawn-watering management, but expressed concerned about herbicides being sprayed within the McKenzie Watershed. He said he would like EWEB to publicly denounce herbicides within the watershed. Mr. Neu expressed a desire to see tangible actions by EWEB to promote Climate Change and Emission Reduction in the utility's Strategic Plan.

Karen Austin of Eugene urged the Board to include Climate Change and electrification of transportation in its Strategic Plan. She was concerned about the nuclear Columbia Generating Station (CGS), not being carbon-free, or renewable, energy. Ms. Austin urged the utility to make a statement in its Strategic Plan of its intent to decommission the CGS.

Matt McRae of Eugene said he would like to see Climate Change as a part of EWEB's updated Strategic Plan. He thanked the Board for circling back to that conversation.

Damon Motz-Storey of Eugene, and representing Oregon Physicians for Social Responsibility, thanked Vice President Carlson, and Mr. Lawson for meeting with him previously to talk about the decommissioning of the CGS. He added that Bonneville Power Administration (BPA) had already heard from Seattle City Light (municipal government) in the form of a municipal resolution supporting the termination of BPA's nuclear power purchasing contracts; Mr. Motz-Storey urged EWEB to include a commitment to work with BPA on divesting from nuclear power and the decommissioning of the CGS in the utility's Strategic Plan.

Patricia Hoover of Eugene, and representing Nuclear-Free Eugene, offered her testimony as someone who formerly lived near the Hanford Nuclear Waste Site in Washington State; she reported several health problems associated with exposure to nuclear waste. She urged EWEB to move to decommission the CGS.

Roger Ebbage of Eugene, and representing Lane Community College's (LCC) Energy Management Program, thanked the Board and the utility itself, for their help and support. He announced that LCC wished to change the current Education Grant, by dropping the amount of the grant by 2/3, and making those monies available directly to students in the form of scholarships.

Linda Heyl of Eugene thanked EWEB for their dedication to addressing Climate Change. She pointed out that the utility's voraciousness as per its Strategic Plan was appropriate and appreciated by the public. Ms. Heyl noted that a more balanced energy portfolio was prudent.

Tana Shepard of Eugene, and representing 4J School District, thanked EWEB for its funding support for Eugene, Bethel, and Springfield. She said the Parachutes for the Planet event was a huge success, and there was much information on 4J's website about the event. Ms. Shepard expressed excitement about the upcoming Solar Challenge.

Vice President Carlson thanked everyone for offering their testimony. She said she was supportive of taking action on the CGS. She wished to clarify that a lot of the points brought up by the public surrounding Climate Change, EWEB was already addressing. She stressed the need for clearer public communication about EWEB's Climate Change reduction efforts.

Commissioner Simpson thanked Mr. Neu for his thoughts and update on herbicides in the McKenzie Watershed. He also urged the Board and staff to make sure the steps the utility was making to reduce greenhouse gas emissions were salient, and could be easily accessed by the public.

Commissioner Mital asked Mr. Neu if he could get a copy of or link to the herbicide study Mr. Neu referenced in his comments. He also wondered what EWEB's role in the decommissioning of the CGS would look like.

President Brown stressed the importance of clear communications between the utility and the ratepayers.

Approval of Consent Calendar

MINUTES

1. May 1, 2018 Regular Session

CONTRACTS

- 2. ALTEC Industries Inc.** - for the purchase of an Insulated, Over-Center, Material Handling Bucket Truck. \$364,000.
- 3. Anixter** - for Primary and Secondary Conductor. \$1,350,000 (over 5 years).
- 4. Durbin Excavating, LLC** - for the Roosevelt Operations Center (ROC) Consolidation Project - Parking Lot Expansion. \$320,000.

5. **Northstar Chemical** - for Liquid Caustic Soda Membrane Grade 50%. \$630,000 (over 5 years).
6. **R2 Resource Consultants, Inc.** - for an alternatives analysis of trap and haul upstream fish passage facilities. \$200,000.
7. **WESCO Distribution** - for 15kV Ethylene Propylene Rubber (EPR) Conductor. \$3,900.000 (over 5 years).

INTERGOVERNMENTAL AGREEMENTS

8. **City of Eugene** - for Water Pipeline Crossings on Pedestrian Bridges over Amazon Creek. \$190,000.
9. **Lane Community College Education Grant** - modify agreement to provide a tuition scholarship of up to \$25,000 for the upcoming 2018/2019 school year, with re-evaluation in June 2019.

RESOLUTIONS

10. **Resolution No. 1815** - Reserve Transfers.
11. **Resolution No. 1817** - Financial Policies.

Approval of Consent Calendar

Commissioner Simpson moved to approve the Consent Calendar without Items 6 and 9. The motion passed unanimously 4:0.

Items Removed From Consent Calendar

Commissioner Mital pulled Items 6 and 9.

President Brown wondered about the \$200,000 figure for an alternative analysis of trap and haul upstream fish passage facilities as laid out in Consent Calendar Item 6

Ms. Boyle offered a brief report on Consent Calendar item 6.

Mr. Mital wondered what was meant by “informal RFP process.”

Ms. Boyle replied that because of the size and scope of this particular work, EWEB qualified for an “informal” RFP process

Commissioner Simpson moved to approve Consent Calendar Item 6. The motion passed unanimously 4:0.

Commissioner Mital thanked Mr. Ebbage for bringing grant information back to the utility. He was comfortable in gradually sun setting the EWEB grant program with the Energy Management Program at LCC.

Ms. Parisi clarified that it was not EWEB's intent to continue the grant program for LCC indefinitely.

Commissioner Mital moved to approve Consent Calendar Item 9. The motion passed unanimously 4:0.

Limited Income Program Goals

Mr. Gonzalez and Ms. Wade offered the Board a report and power point presentation on the goals of the Limited Income Program.

Commissioner Mital wondered how to measure the effectiveness of any Limited Income program.

Ms. Wade said that Lane County had provided EWEB with studies done on similar programs. She added that it was not easy to gather and study this data due to the transitory nature of those being studied.

Commissioner Simpson said he was in favor of the Rate-Funded category with narrow education, and a focus on consumption awareness.

Vice President Carlson offered that, for her, the Low Income and Energy Efficiency aspects of the presentation needed to be blended into one issue. She said she would like to see more strategic leveraging of funds to improve the housing stock.

Vice President Carlson said she would like to see the data on how much EWEB holds in deposits from Low Income Program participants.

Resolution No. 1816, Update to Board Policy SD3 and Customer Service Policy Revisions

Ms. Fahey and Ms. McGaughey offered the Board a report and PowerPoint presentation on resolution No. 1816.

Commissioner Mital moved to approve Resolution No. 1816. The motion passed unanimously 4:0

Security Deposits and Smart meter Communication Plan

Ms. Fahey, Ms. Chilton, Ms. McGaughey and Mr. Whitlock offered the Board an update and power point presentation on security deposits, and the smart meter communication plan.

Commissioner Simpson asked about Slide 8. He wondered if collecting two times the highest bill would involve the bills of past tenants. Commissioner Simpson also asked how far back staff would look to generate that bill.

Ms. McGaughey answered that if a customer has poor credit history, and is moving into a new area, EWEB would look at two times the highest bill within the history of that particular premises.

Commissioner Simpson wondered why EWEB wouldn't call or email a customer the day after their EWEB bill is due.

Ms. Fahey said that kind of direct customer contact was time and labor intensive.

Commissioner Simpson asked if a customer were dinged for a bad check say, how long until the negative points on that customer's account are retired.

Ms. Fahey replied one year.

President Brown wondered why staff was not asking the Board about the disconnect times involved with the suggested changes.

Ms. Fahey said that was an oversight; and they should have included that in the presentation.

President Brown asked if it was necessary to cut off services to customers for non-payment after 38 days instead of 60.

Ms. Fahey responded if staff was to cut off services after 60 days, the customer would be liable for three months' worth of bills before services could be restored.

Vice President Carlson asked if customers would know their credit scores would be affected if they were delinquent to a specific dollar amount. She asserted EWEB should be very specific with customers about delinquent accounts and the consequences of same.

Commissioner Mital asked if all of the \$700,000 in write-offs were in disconnects.

Ms. Fahey said that staff did not know at this time.

Break

President Brown called for a break at 7:49. The meeting reconvened at 7:59

Proceeds From the Riverfront Property

Ms. Fahey, Ms. Hart, Ms. Harwood, and Ms. Kidd offered the Board a report and Power-Point presentation on the proceeds from the Riverfront Property.

Vice President Carlson asked if the proceeds from the Riverfront Property sale could be used to fund PERS.

Ms. Hart answered yes, but Board approval would be required.

Commissioner Simpson said that previously, the utility had said that any proceeds from the sale of the Riverfront Property would go to debt mitigation. He pointed out that at the present time, that was no longer the most prudent action.

Draft Revisions to Board Policy SD15, Climate Change

Ms. Ackerman and Mr. McCann offered the Board a report and PowerPoint presentation on the draft revisions to Board policy SD15

Commissioner Mital suggested the utility add a little more information about large sector opportunities for electrification, in particular transportation and home heating.

Vice President Carlson offered that the utility should be more proactive in emphasizing the switch from natural gas to electrification, and greenhouse gas emissions reporting.

Mr. McCann stated that staff was in the process of reporting greenhouse gas emissions.

Commissioner Mital stated that the publishing of EWEB's carbon intensity per megawatt hour was a key way for the community to get an idea of what EWEB's energy portfolio looks like.

Strategic Plan Revisions

Mr. Lawson offered the board a report and power point presentation on the revisions to the Strategic plan.

Commissioner Mital was in favor of the revisions.

Vice President Carlson said she was as yet undecided. She cited the lack of specific targets and goals surrounding Climate Change for her current decision.

Commissioner Simpson was in favor of the revisions.

President Brown was in favor of the revisions, although he said it would be challenging to include specific emergency preparedness goals included in the revisions.

Commissioner Simpson moved to approve the suggested edits to the Strategic Plan. The motion passed unanimously 4:0

2018 Annual Integrated Electric Resource Plan Update

Ms. Ackerman and Mr. Brownell offered the Board an update and a PowerPoint presentation on the 2018 Annual Integrated Electric Resource Plan (IERP).

Commissioner Mital wondered why there was no worry of price spikes associated with a severe winter cold snap.

Mr. Brownell offered that the duration of a winter weather event was usually short. There are import capabilities. It would have to be a severe event and it's true that it could be expensive, although it would also be expensive to build a resource to prepare for such an event.

Commissioner Mital asked how Management suggests we amend the IERP if the Board wants to focus on carbon intensity as a goal for our updated resource plan.

Ms. Ackerman said the IERP is a good place to express that intent and it is certainly a good place to analyze what EWEB's changing energy portfolio might mean in terms of our carbon footprint.

President Brown wanted to know if the 10-year staff projection, and EWEB system capacities reflected AMI.

Ms. Ackerman said that AMI was not factored into this presentation, but AMI could very well change the numbers over time.

Commissioner Simpson wondered how much (Electric Vehicle) EV electrification could be supported by the 10 aMW headroom that was mentioned.

Mr. Brownell responded the flat load growth represented current programs. He offered that more research would have to be done on EV electrification before a solid answer to the question could be given.

Mr. Lawson offered that he had heard EVs were expected to triple in the next two to three years. He performed calculations that resulted in a 0.1 MWh growth.

Correspondence & Board Agendas

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

Commissioner Simpson asked if there was an intent by the utility to raise the pumping rate for the College hill neighborhood incrementally, or would it be a one-step function.

Mr. Damewood replied that it was a one-step function.

Board Wrap Up

Vice President Carlson offered that it would work better for her if staff posed presentation questions before the presentation instead of after. She thought it a good idea for the

utility to introduce a resolution urging BPA to make cleaner electrical energy choices in their portfolio.

The Board offered their consensus to request a backgrounder outlining their options to address Vice President Carlson's comments around BPA resource choices.

Commissioner Mital wondered about the utility's cash on hand. He said he would like to start talking to the Board about plans and visions for EWEB's cash on hand.

President Brown asked about the timing of the AMI rollout.

Mr. Lawson said that determination would be made in July.

Adjourn

President Brown adjourned the meeting at 9:18 p.m.

Assistant Secretary

President