

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
January 8, 2019
5:30 P.M.**

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

Others Present: Frank Lawson, General Manager; Mike McCann, Electric Generation Manager; Jeannine Parisi, Customer Relationship Manager; Samantha Roberts, City of Eugene

President Brown called the Regular Session to order at 5:28 p.m.

Oath of Office for Commissioner John Brown, Wards 4 & 5

Ms. Roberts, representing the City of Eugene, swore in John Brown as an EWEB Commissioner representing Wards 4 & 5 in Eugene.

Agenda Check

There were no changes or additions to the agenda.

Items from Board Members and General Manager

Commissioner Mital welcomed new EWEB Commissioner Mindy Schlossberg to the Board. He stated that he would like to see the money EWEB donates to the 4J school district be inline not only with the school district's educational goals, but also aligned with EWEB's resource planning. Commissioner Mital said, with the Board's support, he would like to become a liaison to staff and then bring back a recommendation to the board for a plan that is mutually beneficial to 4J, Bethel and Springfield school districts as well as EWEB.

President Brown and Vice President Carlson both voiced their approval.

Commissioner Helgeson was supportive of Commissioner Mital's request, but he said he would like to see whatever comes out of that engagement brought back to the Board, and he also requested that EWEB Board actions and sentiments be aligned with those of 4J.

Vice President Carlson said she was looking forward to the Whitaker Neighborhood Meeting that was to be on Wednesday, January 9, 2019. She said she was also looking forward to the Good Earth Home, Garden & Living Show which was coming up later in January.

Commissioner Helgeson reported that he had recently traveled to southern California. He said there was an ongoing initiative in southern California which would allow aggregators to serve load with resources of different kinds that they contract for - independent from the utilities themselves, it is a form of retail competition. Commissioner Helgeson also commented on the additional reporting of potential liability associated with southern California wildfires.

Commissioner Schlossberg thanked everyone at EWEB for the warm welcome that she had received. She thanked staff members for the orientation. Commissioner Schlossberg also thanked Anne Kah for scheduling everything associated with her becoming the newest EWEB Board member.

President Brown welcomed Commissioner Schlossberg. He announced that EWEB staff was meeting soon with International Paper (IP) about the spill. He pointed out that IP had a similar spill in 1973, which they received a "slap on the wrist" for, and the system responsible for that spill in 1973, was still in place today. President Brown also stated that he had been in talks with IP about the purchase of land surrounding the McKenzie River. He passed around a map showing that property.

General Manager Lawson clarified the Department of Environmental Quality (DEQ) had imposed a fine of \$20,000 on IP for the latest spill, and EWEB had the funds from that fine redirected toward a project the utility was working on above the intake. He also announced that EWEB had begun a Pledge to Prepare campaign centered around the emergency preparedness of EWEB customers.

President Brown iterated that it was unacceptable to him that a fine had been levied, but the system responsible for the spill was the same system IP has had in place since the 1970s.

Public Input

Dale O'Brien of Eugene spoke in opposition to AMI. He asked the Board if a decision could be made to put those EWEB ratepayers who had opted out of advanced metering at the bottom of the installation list. He expressed consternation at those who had opted out, having AMI meters installed on their properties anyway; he asked if those who had opted out could be notified as to when the meters would be installed on their properties. Mr. O'Brien warned the Board that many current Eugene residents and EWEB ratepayers could very well move away from the area due to AMI.

Don Gooch of Eugene stated that he and his wife managed a 144-unit apartment complex in Eugene. He said they had been getting a lot of negative feedback about AMI from their tenants. Mr. Gooch wondered why a property owner had no say concerning what happened on their own property.

Commissioner Mital thanked the speakers; he said he continued to support EWEB's decision as per AMI, and the questions raised about the issue were very technical in nature, and therefore, should be fielded by EWEB staff.

Commissioner Helgeson said he would also like to hear some responses to these concerns from staff.

Commissioner Schlossberg wondered if there was an AMI FAQ section on the utility's website.

Commissioner Helgeson wondered what the trigger for concern was with smart meters that would not be turned on and never transmitted.

President Brown said he understood Mr. Gooch's concern, but he also kept in mind that if the property manager opted out of smart metering for all units, some of the tenants who would benefit from smart metering would miss out on those benefits.

Mr. Lawson said staff would definitely get back to Mr. O'Brien, and Mr. Gooch soon about their concerns.

President Brown asked Mr. O'Brien and Mr. Gooch to make sure staff had their current contact info.

Approval of Consent Calendar

MINUTES

- 1. a. December 4, 2018 Executive Session**
- b. December 4, 2018 Regular Session**

RATIFICATION OF BOARD APPOINTED CONSULTANTS

- 2. a. General Counsel - Luvaas Cobb Law Office (Eric DeFrest Primary Contact)**
- b. Real Estate Legal Counsel - Arnold Gallagher P.C.**
- c. Real Estate Legal Counsel - Watkinson Laird Rubenstein P.C.**

CONTRACTS

- 3. Delta Star** - for a single substation transformer for the Weyerhaeuser 3 substation in Springfield, Oregon. \$918,000.
- 4. Lakeside Industries** - for asphalt cold mix to repair or replace road surfaces during improvement or repair work to water utility infrastructure. \$210,000 (Resulting Cumulative Total \$436,000).
- 5. Monitor Mapboard Systems** - for a real-time system mapboard for the Dispatch Control Center at the Roosevelt Operations Center. \$342,000.

6. Motorola Solutions, Inc. - for the use of a cooperative contract with HGAC to purchase 2-way radio equipment. \$326,000.

7. Pivot Architecture - for Roosevelt Operations Center Consolidation and Interior Remodel Architectural and Engineering Services. \$52,000 (Resulting Cumulative Total \$173,000).

8. Sanipac - for Solid Waste and Recycling Services. \$165,000 (Over 5 Years - Estimate).

9. Systems West Engineering - for Roosevelt Operations Center Consolidation and Interior Remodel Architectural and Engineering Services. \$56,250 (Resulting Cumulative Total \$154,650).

10. Whitlock Consulting Group - for the Customer Experience Improvement project consulting and RFP development. \$185,000.

11. Wildish Paving Co. dba Wildish Building Co. - for Construction Services at the Carmen Power Plant. \$4,577,000.

RESOLUTIONS

12. Resolution No. 1902 - Annual Appointment of Supplemental Retirement Plan Committee.

13. Resolution No. 1903 - Declaring Surplus for Certain Real Property No Longer Needed for Utility Purposes

Vice President Carlson moved to approve the Consent Calendar as presented. The motion passed unanimously 5:0.

Items Removed From Consent Calendar

None.

2019 Election of Board Officers

President Brown announced that he would call for nominations for Board President, and then the nomination(s) would be voted on.

Commissioner Mital nominated Sonya Carlson for 2019 Board President. President Brown supported the nomination.

President Brown called for the vote; all were in favor of Sonya Carlson as EWEB Board President.

Commissioner Helgeson nominated Steve Mital for 2019 Board Vice President.

Commissioner Brown supported the nomination.

President Carlson called for the vote; all were in favor of Steve Mital as EWEB Board Vice President.

2019 Appointment of Board Liaison Assignments & Committees

President Carlson announced there was an opening for liaison to Lane Council of Governments (LCOG).

Commissioner Helgeson said he was not at all clear about the relationship between EWEB and LCOG. He asked his colleagues if anyone had additional information on that assignment.

President Carlson read aloud the nature of the assignment. She said the term was ongoing, and that she was the alternate, and had attended two LCOG meetings.

Mr. Lawson reported that most of the relationship between EWEB and LCOG came in the form of Inter-Governmental Agreements (IGA), and this assignment was more of an involved stakeholder relationship designed to offer EWEB input.

Commissioner Brown said that he did not think he could do it, due to time requirements.

Mr. Lawson said he would look into the importance and necessity of the LCOG assignment.

Commissioner Helgeson said he supported President Carlson in the LCOG assignment.

Commissioner Mital nominated President Carlson for the LCOG liaison assignment.

President Carlson called for the vote; all were in favor of Sonya Carlson as EWEB liaison to LCOG.

President Carlson stated that EWEB staff is appointed to McKenzie Watershed Council with no designated commissioner required.

President Carlson announced there was an opening for liaison to the Other Post-Employment Benefits (OPEB).

Commissioner Brown said he would do it.

President Carlson called for the vote; all were in favor of John Brown as EWEB liaison to the Other Post-Employment Benefits (OPEB).

President Carlson announced there was an opening for liaison to the Northwest Public Power Association (NWPPA).

Commissioner Helgeson offered that he would continue in this role, but he would not mind handing the assignment off to another Commissioner at some point. He said that NWPPA was a worthwhile organization that does great work in the Pacific Northwest, but he did not know if it was completely necessary for EWEB to have a seat on the NWPPA Board. Commissioner Helgeson added that if the relationship with NWPPA was to continue, he would like there to be a kind of exit strategy for him leaving the position.

Commissioner Brown said he would be willing to split the assignment with Commissioner Helgeson. Commissioner Helgeson clarified that if he were to continue as the liaison, Commissioner Brown would be willing to be his backup. Commissioner Brown affirmed.

President Carlson called for the vote; all were in favor of Dick Helgeson as the primary EWEB liaison, with John Brown as the alternate liaison to the Northwest Public Power Association.

President Carlson announced there were openings for liaisons to Springfield Utility Board (SUB), and Lane Electric Co-Operative (LEC). She said these were new assignments.

Mr. Lawson said the new roles would facilitate the EWEB Board's coordination with SUB and LEC at the Board level. He added that in the past, such a role was taken on by the sitting EWEB Board President, and that could continue to be the case, but the positions were not exclusive to the EWEB President. Mr. Lawson said, in the case of SUB, some conversations had already happened between SUB and Commissioner Brown and Vice President Mital, and staff would like to keep John Brown in the SUB liaison role for continuity's sake.

Vice President Mital nominated John Brown for the SUB liaison position.

President Carlson called for the vote; all were in favor of John Brown as EWEB liaison to Springfield Utility Board.

Vice President Mital showed interest in the LEC liaison position, but deferred to Commissioner Schlossberg, citing that, historically, it had been the At-Large position which represented the upriver area.

Commissioner Schlossberg said that since this was her first year as an EWEB Commissioner, and she still had a lot to learn about the position, she would defer back to Vice President Mital for the LEC liaison position.

President Carlson called for the vote; all were in favor of Steve Mital as EWEB liaison to Lane Electric Co-Operative.

Eugene City Council/EWEB Joint Meeting Agenda

Mr. Lawson said the joint meeting would primarily be a discussion among Board members, although there was a rough, tentative agenda which included basic introductions between EWEB Board of Commissioners and Eugene City Councilors. He said the City would provide a brief update on their Climate Action Plan, and Jason Heuser, representing EWEB, would talk about Cap & Trade at the State level. Mr. Lawson offered they would then talk about two aspects of electrification—one specific to electric vehicles, and another dealing with “smart electrification,” and EWEB’s role in it.

Commissioner Brown wondered who or what was driving this joint meeting. He pointed out that EWEB had reached out to the Eugene City Council twice in the past, and both times, the City did not seem to have the time to meet with EWEB Commissioners. He expressed concern that the agenda for the meeting was put together totally by the Eugene City Council, without input from EWEB or its Commissioners. Commissioner Brown also wondered about the purpose of the meeting itself.

Ms. Parisi offered that it was important for the EWEB Board and Eugene City Council to meet for relationship-building purposes. She added that aspect was particularly important at this time, because both bodies had new members sitting on them. Ms. Parisi said—if she had to guess—the importance of this particular meeting to the Eugene City Council, was that they needed technical help from the utility to help them drive what can be done in the community around electrification.

Commissioner Brown asked if the franchise fee the City of Eugene is dealing with for Northwest Natural, could possibly be a driving factor for this meeting.

Ms. Parisi replied that this meeting would be happening after the Eugene City Council’s second Work Session dealing with those franchise fees. She did not believe EWEB was directly implicated in the franchise fee discussion.

Commissioner Helgeson expressed concern about possible conversations at the joint meeting about smart electrification. He offered that those conversations might become a mechanism by which the cost of carbon would be shifted into the electric utility sector, and become costs that EWEB would have to inherit.

Mr. Lawson offered this meeting was an excellent opportunity to educate the City as to what EWEB thinks its role is in electrification in Eugene.

Vice President Mital said this meeting would be an excellent opportunity for the two bodies to come together and make clear what the shared goals and shared responsibilities would be moving forward.

Commissioner Schlossberg said this meeting would also facilitate a closer and stronger relationship between EWEB and the City of Eugene. She added that she hoped this

was not just a one-off meeting, but was an open door to future meetings between the two bodies.

President Carlson reported that she had reached out to those Eugene City Councilors that corresponded to her Wards; she offered that improving rental efficiency was part of that conversation, and, she felt, was part of the climate work. President Carlson asked if there was room to expand the conversation, and/or would EWEB have the opportunity to add to the Agenda.

Mr. Lawson replied that energy efficiency was definitely part of the conversation already scheduled, so it would definitely be relevant to add that subtopic to the agenda.

Proposed Collaboration with Springfield Utility Board

Vice President Mital said there was a long history of EWEB reaching out to Springfield Utility Board (SUB) about the potential of sharing the Hayden facility that EWEB currently owns. He said he and Commissioner Brown had been in talks with SUB for a good while now themselves. He offered that SUB had invited Commissioner Brown to give a presentation at the February SUB meeting. Vice President Mital said, in the past, he and Commissioner Brown had only met with two of the SUB Commissioners, and this would be a chance to go before all five of them.

Commissioner Brown offered it would be very economical to use EWEB's capacity to treat SUB's water; also, he pointed out, SUB had an intake on the Willamette River, just above the confluence of the Willamette and the Coast Fork of the Willamette, and he would love (if EWEB would be drawing water from the Willamette) to draw water from that intake above the confluence.

Commissioner Helgeson endorsed the conversations with SUB. He felt EWEB faced serious conundrums as they continued their conversation about what to do with the second source treatment plant investment.

Vice President Mital said that EWEB's second-source treatment plant investment had not yet come up in the conversation with SUB.

Commissioner Brown said they had been talking with SUB about emergency preparedness, and how the two utilities could work together in the event of a disaster.

Mr. Lawson said he believed there was a good working relationship at the staff level between EWEB and SUB. He believed the areas which could use improvement were larger, strategic issues.

Vice President Mital wondered if the discussion of EWEB building its own facility on the Willamette starting in 2023 would be on the Agenda for next month.

Mr. Lawson said staff would have a more in-depth conversation with the Board at the March meeting.

Correspondence and Board Agendas

Mr. Lawson offered the Board a report on Correspondence and Board Agendas. He announced there were a couple upcoming agenda items he wanted to point out: In February, they have scheduled on the agenda for Arne Olson from E3 to come in and talk about a recent reliability study which looks at resource adequacy in the Pacific Northwest. Also, he said, there was a future agenda item in which staff would give the EWEB Board the presentation they hoped to deliver to the City of Eugene at the joint meeting.

Commissioner Helgeson said he had an interest in work sessions in order to have conversations surrounding more strategic topics.

Commissioner Brown wondered if the Board would be discussing the topic of EWEB's surplus building and the MGP site any time soon.

Mr. Lawson replied there would certainly be upcoming conversations about EWEB's surplus building in the near future, including work sessions, if necessary. He added the MGP site was still in the negotiation process with the various settlement parties. Mr. Lawson said these topics were on staff's radar, and would be at either the February or March Board meeting.

President Carlson wondered if there was an upcoming debriefing on the Board's self-evaluation.

Commissioner Brown said there was not, but President Carlson could definitely schedule one.

Mr. Lawson said staff would put together a summary of the recent survey, along with the survey's results for the Board very soon.

Commissioner Helgeson said he did not see quite as much as he would have liked in the FERC Correspondence item relative to current status.

Mr. McCann offered the Board an update on: the Leaburg Canal Project, and the Carmen Smith Reservoir.

Vice President Mital asked if staff had a rough estimate of lost revenue due to these two FERC projects.

Mr. McCann estimated that EWEB would lose approximately \$300,000 per month by not generating at Leaburg, and the Carmen Smith estimate was slightly more than double the Leaburg figure.

Commissioner Helgeson asked if those shortfalls would affect the recently-approved budget, and if there were contingencies in place for them.

Mr. McCann answered that those shortfalls were represented in the Long-Term Financial Plan (LTFP), and the Budget.

Board Wrap Up

President Carlson wished to get the other Commissioners' thoughts on the request that if a Commissioner wishes to pull any item from the consent calendar, staff be notified by 2 p.m. the day of the meeting.

Mr. Lawson clarified that he was not asking for a change in process. Rather, he said, staff would like to have clear direction from Commissioners before the Board prep meeting, which is typically at 4:30 p.m. the day of the meeting.

Commissioner Schlossberg thanked everyone for a great first meeting experience.

Commissioner Helgeson wondered about the upriver outages due to a recent wind-storm.

Mr. Lawson said that topic would be covered in the Annual Report which was to be given next month.

Adjourn

President Carlson adjourned the meeting at 6:57 p.m.

Assistant Secretary

President