

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
October 6, 2020
5:30 P.M.**

Commissioners may pose questions to staff prior to the scheduled board meeting. To view Commissioners' pre-meeting questions and staff responses, visit <http://www.eweb.org/about-us/board-of-commissioners/2020board-agendas-and-minutes>.

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

Others Present: Frank Lawson, General Manager; Laura Farthing, Senior Engineer; Deborah Hart, Chief Financial Officer; Karen Kelley, Water Operations Manager; Karl Morgenstern, Water Quality and Source Protection Supervisor

President Mital called the Regular Session to order at 5:30 p.m.

Agenda Check

There were no changes or additions to the agenda.

Items from Board Members & General Manager Including COVID-19 and Holiday Farm Fire Unified Command Update

President Mital thanked EWEB staff and line crews for their work during the recent wildfire event up the McKenzie River.

Commissioner Carlson said she appreciated the opportunity to take a tour of the south Eugene future reservoir sites.

Vice President Schlossberg said she had been volunteering with the Red Cross on local disaster relief efforts and was appreciative of the opportunity to do that work.

Mr. Lawson offered the Board a report and PowerPoint presentation on EWEB's COVID-19 response and an update on the Holiday Farm Fire Unified Command.

Commissioner Brown wondered if EWEB was getting the word out about the numerous energy assistance slots available to those in need.

Mr. Lawson assured Commissioner Brown that the Utility had been, and still is, disseminating information about their energy assistance programs widely.

Public Input

Chuck Arrera, representing the Upper Willamette Soil & Water Conservation District (UWSWCD), addressed the board concerning Ballot Measure 20-312, in which

UWSWCD was seeking a stable and sustainable funding source for their projects through a slight tax increase.

Joe Moll, representing the McKenzie River Trust offered the Trust fully endorsed the tax measure talked about by Mr. Arrera. He encouraged the Board to support the staff recommendation on the Watershed Restoration and Recovery item on tonight's meeting agenda; he asserted it was crucial to helping communities recover from the fire, and it was directly beneficial to the McKenzie River itself.

Tim Kling, representing the McKenzie Masters Foundation, offered the members of that Foundation were excited to undertake projects along the McKenzie River, including the possibility of rebuilding boat ramps, navigational hazard removal, gaining access to the river for recreational use, and habitat restoration; he wondered if there were such projects members of the McKenzie Masters Foundation could get involved in.

Joe Harwood on behalf of Marilyn Cross of Vida, addressed the Board about the importance of the McKenzie Community Development Corporation (MCDC), and its role in the 10-year recovery and rebuilding of the McKenzie River Valley. She supported EWEB's Watershed Restoration and Recovery Plan, to be discussed later in the meeting. She reminded the Board that monies invested now, would have the greatest impact on avoiding additional damage in the future, and advancing the regenerative cycle of the McKenzie Valley and the McKenzie Watershed. Ms. Cross said there would need to be a socially-distanced gathering place with internet access, if the residents of the McKenzie Valley and Watershed were to participate in an upcoming EWEB upriver meeting.

Mr. Lawson said he would follow up with Karen Kelley and Rod Price (EWEB's Water Operations Manager, and Chief Operations Officer, respectively) about possible projects the McKenzie Masters Foundation members might get involved in, as per Mr. Kling's request during public input.

Vice President Schlossberg said she planned on educating herself further on Ballot Measure 20-312. She agreed with the speakers that the Utility's Watershed Restoration and Recovery Plan was of utmost importance for both the Utility, and, more importantly, the McKenzie Valley community.

President Mital posited that it was not appropriate—due to a lack of time before the November general Election—for the Board itself to take a stance on Ballot Measure 20-312, but he encouraged individual Board members to look into it, and to decide whether they would support it as individuals.

Approval of Consent Calendar - A
MINUTES AND ROUTINE CONTRACTS
1. September 1, 2020 Regular Session Minutes

2. Brink Brothers, Inc. - for mowing services at Hayden Bridge - Zones 2 & 3. \$165,000 over 5 years.

3. City of Eugene - for COVID-19 bill assistance services. \$250,000 (funds from City of Eugene to credit customer bills).

4. Lane Council of Governments (LCOG), as the Managing Partner of the Lane Geographic Data Consortium - for Geographic Information System (GIS) services. \$450,000 over 5 years.

Commissioner Carlson moved to approve Consent Calendar – A. The motion passed unanimously 5:0.

Approval of Consent Calendar – B

NON-ROUTINE CONTRACTS AND OTHER CONSENT ITEMS

5. S-2 Contractors, Inc. - for Asphalt Concrete Patching Services. \$2,100,250 over 5 years.

6. Resolution No. 2023 - Annual Investment Policy Review.

Commissioner Helgeson moved to approve Consent Calendar – B. The motion passed unanimously 5:0.

Watershed Restoration & Recovery and 2020 Water Expense (O&M) & Capital Budget Amendments (Resolution No. 2024)

Mr. Lawson, Ms. Hart, and Ms. Kelley offered the Board a report and PowerPoint presentation on watershed restoration and recovery and 2020 water expense, and capital budget amendments (Resolution No. 2024)

Commissioner Brown asked for clarification on the \$30,000 for seedlings and \$25,000 for septic laid out in the presentation. He posited those amounts would not be enough to fund these particular pieces of the plan.

Mr. Morgenstern said EWEB had received a large grant that is already paying for hundreds of thousands of seedlings, hence the smallish figure in the plan.

To the question of the amount in the plan for septic, Mr. Morgenstern offered, again, there were other organizations chipping in funds for septic, so the \$25k earmarked for that in the plan, would be supplemental to funds already in place.

Commissioner Carlson wanted more information on the groups providing funding for the project mentioned by Mr. Morgenstern.

Mr. Morgenstern said the National Resource Conservation Service (NRCS) was a large contributor. EWEB's role is to help landowners match the 25% requirement to obtain the federal money, the funding would go toward erosion control, stabilization,

revegetation and a number of other things. The bulk of this funding will not occur until 2021 when federal funds become available.

Commissioner Carlson asked for more details about the expansion of the septic program to include agricultural.

Mr. Morgenstern said EWEB saw an opportunity to include agricultural in the septic program, so that farmers could also get zero-interest loans for implementing water quality projects and funds matching. He said the new inclusion of agricultural would also serve to ensure water quality.

Commissioner Helgeson said that EWEB certainly needs to play a role, particularly with respect to maintaining quality and excellence of drinking water. He noted that as a Board member he is used to weighing matters of this nature in the context of the Source Protection Plan and using a vulnerability assessment. He could not understand how these efforts could have been mobilized so quickly, and he would support any further assessments of the situation before committing to the plan itself. He expressed particular interest in impacts to EWEB's operations at Hayden Bridge and any capital investments, lab work or planning that should be incorporated into the capital plans for next year.

President Mital said he would like the Utility to step back and update its Source Water Protection Plan (SWPP), in light of this tragedy, and what that would mean for EWEB going forward. He agreed with Commissioner Helgeson in that he was hesitant to commit large sums of money to restoration and recovery, without parallel updates to the SWPP.

Vice President Schlossberg pointed out the watershed recovery and restoration was crucial to the quality of EWEB's water, and said she supported Resolution No. 2024.

Mr. Morgenstern said the recovery and restoration efforts were basically triage at this point, and he said their first priority was hazardous waste stabilization from the burned down buildings, until the Environmental Protection Agency (EPA) could come remove the hazardous materials, but that was four to six weeks out.

Ms. Kelley added that EWEB preventing said hazardous materials from entering waterways was absolutely critical at this stage of restoration and recovery efforts. She said the reason for this was: conventional water treatment plants in the area—including EWEB's--were not designed to handle chemical contaminants. EWEB has added treatment since the original design, specifically powder activated carbon (PAC), that can remove chemicals however it restricts the amount of water we can produce depending on the flows and what the load is. When we don't address contaminants upstream and they come down to the plant there are additional treatment costs. The return on investment for prevention is going to pencil out; this data is available in the ten-year strategic plan.

Commissioner Carlson wondered how much of the \$1.9 million would be for immediately stabilizing the hazardous materials from the 80-or-so burned homes.

Mr. Morgenstern said the stabilization of hazardous materials would cost roughly \$100,000 - \$120,000.

Commissioner Carlson asked if EWEB was hiring skilled contractors for the hazardous materials stabilization portion of the restoration and recovery project.

Mr. Morgenstern answered yes.

Commissioner Brown made three points he considered salient to this discussion:

- The General Manager should communicate with the community (possibly through letters to local papers, etc.) to tell them their rates were likely to go up after eight years of remaining the same, because that is how important saving the watershed is to the Utility and the community it serves
- That some of the money EWEB is spending on the watershed recovery and restoration be spent locally, meaning in the upriver community itself
- Because Springfield Utility Board (SUB) is building a treatment plant on the McKenzie River, they too should have some ownership of the recovery and restoration efforts taking place

Commissioner Helgeson asked if the approximately \$1 million dollars was to be used for this project before the end of 2020, and he also asked where the money was coming from specifically.

Ms. Hart said the Water side of the Utility was having a very strong revenue year, so most of that money would be coming from excess revenues over budget, and approximately \$200,000 looks to be coming out of operating reserves.

President Mital said that as a Commissioner, his duty to ratepayers was transparency surrounding what EWEB would be doing upriver, and he said the Utility's first priority was securing water quality. He also stressed the importance of being clear about where EWEB's responsibility ends, and a different entity's might begin.

Vice President Schlossberg offered that, after the discussion, she was still in favor of the Resolution. She offered that passing Resolution No. 2024 was the essence of the Utility's responsibility to its ratepayers.

Mr. Lawson agreed with the Board; he said EWEB's primary role is securing water quality, and most if not all the major decisions the Utility makes, should take water quality into consideration.

Commissioner Carlson asked if the \$900,000 mentioned in the Resolution was representative of an increase in operating costs.

Ms. Hart explained the \$900,000 was moving monies from the capital budget to the operations and maintenance (O&M) budget due to a surplus in the capital budget.

Commissioner Brown moved to adopt Resolution No. 2024. The motion passed unanimously 5:0.

2021 Draft Budgets, Long-Term Financial Plans (LTFP) Update, and Price Proposal Overview

Ms. Hart et al. offered the Board a long-term financial plan (LTFP) update, and price proposal overview, including a PowerPoint presentation.

Commissioner Carlson offered she was in support of the budget as presented; she was particularly in favor of the expansion of the fiber network, and looking more aggressively at a possible second water treatment facility.

Public Hearing on 2021 Budget Assumptions, LTFP, and Price Proposal

President Mital opened the Public Hearing at 7:24 p.m.

Joe Moll, Executive Director of the McKenzie River Trust (MRT), lauded EWEB for their budgetary prowess, and dedication to not only water quality, but water security. He urged the Utility to continue planning for a secondary drinking water source, and to invest in the decades ahead into the Coast Fork and Middle Fork of the Willamette River Watersheds, and to designate the Willamette confluence area in Glenwood as an anchor for source water protection.

President Mital closed the Public Hearing at 7:29 p.m.

Commissioner Helgeson said he was surprised the Utility had been able to go for six or seven years without a rate increase; especially since, in that same timeframe, some of EWEB's internal operating costs had increased.

Mr. Lawson offered the initial plan was to have Board discussion concerning rate increases in November and December. He lamented that there was not enough time to have a robust discussion with upriver ratepayers about their rates increasing.

Vice President Schlossberg agreed with Commissioner Carlson on being a bit more aggressive in discussions/plans for a second water treatment facility. She stressed the importance of language when discussing rate increases.

President Mital asserted he would like to have more discussion surrounding the 10-Year Capital Plan, specifically about the additional expenditures involved with both sides of the Utility. Finally, he agreed with his colleagues concerning a more aggressive approach to a second water treatment facility.

Mr. Lawson agreed that deeper conversations around the 10-Year Capital Plan were warranted and necessary.

Break

President Mital called for a break at 7:45. The meeting resumed at 7:50.

Base Level Storage Tank Upgrades

Mr. Lawson, Ms. Kelley, and Ms. Farthing offered the Board a report and PowerPoint presentation on base level storage tank upgrades at the E. 40th Ave. location.

Commissioner Helgeson stated his full support for the project.

President Mital was also in full support of the project.

The rest of the Board offered their support for the project as well.

Mr. Lawson thanked staff for their work in and around this project. He expressed gratitude specifically to Laura Farthing, Wally McCullough, and Jen Connors

Correspondence & Board Agendas

Mr. Lawson offered the Board a report on correspondence and Board agendas. Surrounding the November Board meeting, which takes place on Election Night, Mr. Lawson said he and staff would come up with some suggestions about changing the meeting date/time, and present them to the Board.

Board Wrap-Up

President Mital said the Board should consider measures in the future to prevent irreparable damage caused by storms and subsequent fires in the drier months, including more aggressive tree-trimming.

Vice President Schlossberg offered EWEB's knowledge of the local communities and landscapes was invaluable in relief efforts such as those going on currently up the McKenzie River.

Commissioner Carlson wondered, with all the power poles and lines destroyed by the recent fire, if it was a good time for EWEB to look at undergrounding their utilities.

President Mital adjourned the meeting at 8:19 p.m.

Recorded by Rodney Cimburke

Assistant Secretary

President