

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
March 2, 2021
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/2021board-agendas-and-minutes>.

Commissioners Present: Mindy Schlossberg, President; John Brown, Vice President; John Barofsky, Sonya Carlson, Matt McRae, Commissioners

Others Present: Frank Lawson, General Manager; Sarah Gorsegner, Purchasing & Warehouse Supervisor; Deborah Hart, Chief Financial Officer; Simrat Khalsa, Strategic Program Manager; Jason Heuser, Public Policy & Government Affairs Program Manager; Rod Price, Chief Engineering and Operations Officer; Adam Rue, Fiscal Services Supervisor; Ben Sachdeva, Financial Analyst

President Schlossberg 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 and General Manager

Commissioner Barofsky thanked President Schlossberg for putting together last week's Work Session.

Vice President Brown, citing the Pacific Gas Board members who are being sued because of the fires in California, wondered if Mr. Lawson could give the Board a refresher on their liability as Board members.

Mr. Lawson said he would follow up with Vice President Brown on the liability issue. He added that he did ask EWEB legal counsel for an update on Board member and executive liability associated with actions of the utility about three months ago, so he had a lot of fresh information on the subject.

President Schlossberg reported that she, Mr. Lawson, and Commissioner McRae met with the City of Eugene a couple of weeks ago for a quarterly check-in. President Schlossberg recognized EWEB employee Donny McGlasson, who had rescued two people who had fallen into the Walterville Canal and could not get out on their own.

Public Input via Telephone/Public Input Reading

David Hausam, of Eugene offered that he and his family supported the E. 40th and Hilyard safe municipal water storage project, and he was glad to hear there was engagement by the utility with local partners on a possible oak and pine savannah restoration project.

Stephen Anderson, of Eugene expressed concern about EWEB considering cutting 260 trees for the first tank of the E. 40th and Hilyard project. He said he did not believe the surveys done by EWEB on the site were completely honest, in that they did not accurately take into consideration the ecological and community effects of the siting of the first tank.

Sandra Bishop, of Eugene addressed the Board about the E. 40th and Hilyard reservoir project. She said she did not understand why there was such a push from the utility to clear all the trees off of the eastern end of the property. Ms. Bishop said the trees in question were old-growth, and she wanted Commissioners to look at carbon sequestration as it pertained to the old trees in question.

Jim Neu, of Eugene reported Oregon State's Climate Impacts Research Consortium was quoted in the City of Eugene's Climate Action Plan 2.0, stating that by 2050, the Cascades will have no snowpack. He offered that a more diversified power portfolio would make sourcing more resilient. Mr. Neu urged EWEB to work with the city, county, and other local stakeholders toward locally-sourced, diversified energy.

Dylan Plummer of Eugene, and representing Cascadia Wildlands, asked EWEB to take measures to completely eliminate fossil fuels from its energy portfolio. He offered that it was of upmost importance to transition to clean, renewable energy through investments in local renewable energy projects, as soon as possible.

Joe Harwood for James Porter, of Eugene, asked EWEB to consider placing the first tank of the E 40th Street water storage tank complex in the middle of the property instead of the east end, to save as many old trees as possible.

Commissioner Carlson said it was her understanding the reason there had been no clear direction yet given for the E. 40th and Hilyard project, was the engineers and EWEB staff were still working on it. In response to Mr. Neu and Mr. Plummer's testimony, she said the utility was focused on climate change, and there were a number of large contracts coming up, including the Bonneville Power Administration (BPA) and market energy purchases.

Commissioner McRae said he was very much looking forward to learning more about the E. 40th and Hilyard project on an upcoming site visit. He said he was in agreement with the public testimony; there is an opportunity with regard to climate action. He posited EWEB would be having conversations and he believed the Board would take steps that will chart a path to bring our community closer to a target of independence from fossil fuels.

Mr. Lawson asserted that EWEB staff had been incredibly transparent with the E. 40th and Hilyard community. He said he had asked staff to evaluate whether it would be better to put both tanks in at the same time, rather than disrupting the area with construction twice, and he said that conversation would be brought to the Board. Finally, Mr. Lawson said he would like to get together with the Board—possibly at a Work Session—to discuss where he sees renewable energy in the northwest, and in the western region.

Approval of Consent Calendar – A MINUTES AND ROUTINE CONTRACTS

MINUTES

1. February 2, 2021 Regular Session

CONTRACTS

2. The Saunders Company, Inc. - for Phase II of the 42" transmission main extension on the University of Oregon's riverfront property between Riverfront Parkway and East 8th Avenue. \$2,200,000 based on a formal invitation to bid.

Commissioner Carlson moved to approve Consent Calendar – A without Item 2. The motion passed unanimously 5:0.

Vice President Brown asked why EWEB had to pay for the expansion of the transmission main on the University's riverfront property, when System Development Charges (SDCs) are designed for capacity extensions.

Mr. Price said they were extending the transmission main in an effort to bolster resiliency.

Mr. Lawson said this was more of a resiliency project than a capacity project, so SDCs related to capacity did not apply.

Vice President Brown moved to approve Consent Calendar – A, Item 2. The motion passed unanimously 5:0.

Approval of Consent Calendar – B NON-ROUTINE CONTRACTS AND OTHER CONSENT ITEMS

CONTRACTS

3. Northwest Youth Corps - for required vegetation maintenance services. \$500,000 over five years based on a direct negotiation.

RESOLUTIONS

4. Resolution No. 2109 - Customer Service Policy Update - AMI policy updates to support deployment.

5. Resolution No. 2110 - Western Generation Agency (WGA) Board Appointment.

Vice President Brown moved to approve Consent Calendar – B without Item 3. The motion passed unanimously 5:0.

Commissioner Barofsky asked if the Northwest Youth Corps' (NYC) work being done upriver as part of the restoration project was a separate contract from the one on the consent calendar.

Ms. Gorsegner said EWEB had an ongoing, as-needed contract with the NYC, and the contract in question involved both the ongoing, as-needed work, and the restoration work being done upriver.

Commissioner Barofsky moved to approve Consent Calendar – B, Item 3. The motion passed unanimously 5:0

Resolution No. 2105 - Water O&M Budget Amendment and Resolution No. 2106 - Watershed Recovery Fee

Ms. Hart, Mr. Rue, and Mr. Sachdeva offered the Board a report and PowerPoint presentation on Resolution No. 2105, and Resolution No. 2106.

Vice President Brown asked about equitability; he wondered how EWEB could make sure the water district's customers supplied by EWEB were paying the same rate and that everyone who is benefitting from the watershed recovery effort is paying for it.

Mr. Rue said EWEB has specific contracts with those wholesale customers and has been working with them. The water districts are looking to mimic EWEB's \$3 surcharge per residential customer at the 1" meter size, so all ratepayers in the area—no matter who their actual water provider is—are paying the same amount. EWEB's cost of service methodology will ensure EWEB recovers costs equitably from its contract customers. Staff will bring wholesale customer prices to the Board before making adjustments.

Vice President Brown wondered if the surcharges collected from the ratepayers in the other water districts was part of the revenue projection in the presentation.

Mr. Rue said the aforementioned surcharge revenue was included in the revenue projection.

Commissioner Barofsky asked if there was a tracking mechanism to track how the funds collected from surcharges was spent, to inform the Board and EWEB ratepayers.

Ms. Hart said there was a tracking mechanism in place, and the surcharge monies were only being used for upriver restoration. She added staff could report the findings of said

mechanism back to the Board at a frequency that makes the most sense, perhaps included in the quarterly report.

Commissioner Carlson wondered what the strategic projects scheduled for 2023 were, and why they created an \$8 million cost increase from 2022.

Mr. Lawson offered the fee itself was covering mostly (if not fully) risk-based and resiliency work.

Commissioner Carlson questioned whether or not the utility should vote on a fee increase with only one meeting. She posited it would be better to stretch it out at least another month, to give the Board, and the public, more time to digest information on the subject, and to reach a decision.

Commissioner McRae asked what low-income programs EWEB currently had in place, and he wondered if those programs would remain in place to help ratepayers who might not otherwise be able to afford the fee increase.

Ms. Hart offered that currently, EWEB was offering \$260 once a year to qualifying ratepayers toward their utilities. She added EWEB was working with Customer Solutions to see if there is an opportunity to potentially offset the fee increase for impacted, qualifying households.

Commissioner McRae wondered if the utility could simply waive the fee increase for those households which qualify for low-income assistance.

Mr. Lawson said it would be more advantageous to keep the fee, and provide extra customer care dollars than it would be to waive the fee.

Commissioner McRae said he was in support of administrative action that would make sure the fee increase was not added to the bills of ratepayers already qualifying for low-income assistance.

Mr. Lawson said EWEB staff could have something like that in place before the fee increase goes into effect.

Commissioner Carlson wondered if there were any larger-metered buildings (such as an apartment complex), that would be paying more in the fee increase than smaller meters on single-family properties.

Mr. Rue offered the property owner or landlord of larger-metered properties would be the one paying the utility bill, so single households would not see an exorbitant fee increase, since those were typically 1" meters.

Vice President Brown moved to adopt Resolutions 2105 and 2106. The motion passed unanimously 5:0.

Advanced Metering Infrastructure (AMI) Program Background and Update

Mr. Price and Ms. Khalsa offered the Board a background report, an update, and a PowerPoint presentation on EWEB's Advanced Metering Infrastructure (AMI) program

Commissioner Brown offered that half of the block on which he lives has smart meters, and the other half of the block does not; he wondered why smart meters would only be installed on half a block instead of the whole thing.

Mr. Price offered that it was done by predetermined routes, and that he would have to look into AMI installation records to see exactly what was happening on any particular block in the city.

Commissioner Barofsky noted the increase in the AMI project budget from the beginning of 2018 to now, and he wondered if the budget for the project will continue to rise in the future.

Ms. Khalsa said staff was creating more detailed project budget projections through the end of 2023; she added that she did not foresee any large unknown variables in the present or the future of the project which would cause the budget to skyrocket.

Mr. Price declared that the upriver community was not included in this project's budget.

Break

President Schlossberg called for a break at 6:58 pm. She resumed the meeting at 7:05 pm.

State of the Utility Address and 2020 Year-End Strategic and Operational Report

Mr. Lawson offered the Board a State of the Utility Address, and a 2020 Year-End Strategic and Operational Report, with a PowerPoint presentation.

Vice President Brown wondered why EWEB was spending large sums of money on its school programs, if school was not in session due to COVID.

Mr. Lawson replied staff had done outreach around this topic, and he and staff could gather information and get back to the Board as a whole about it.

Commissioner McRae thanked Mr. Lawson and EWEB staff for their work during the COVID pandemic and the Holiday Farm fire. He offered that for the utility to come out of the other side of crises such as those intact and still operational, was very impressive.

Commissioner Barofsky thanked all those involved with the day-to-day operations of the utility; he was especially thankful for the utility's poise and perseverance through the COVID pandemic and in its response to the Holiday Farm fire. He said he did not agree with CILT dollars being put into the Community Involvement category.

Mr. Lawson explained that CILT dollars were included in Community Involvement because, although the State of Oregon required EWEB pay 3% to the City of Eugene, the utility pays 6%, and that money circulates back into the community.

Correspondence

Mr. Lawson offered the Board a report on this month's Correspondence.

Commissioner Barofsky asked if there were any updates on the Oregon Department of Geology and Mineral Industries (DOGAMI) legislation.

Mr. Heuser offered that although DOGAMI had an outpouring of support from Oregon residents, it was uncertain how DOGAMI would be funded.

Future Board Agendas

a. Upcoming McKenzie Valley Meeting

Mr. Lawson offered the Board a brief report on the upcoming McKenzie Valley meeting.

Commissioner Carlson said she was unwilling to participate in an in-person, indoor event at this time due to COVID. She said she wanted to participate in a digital event, but she wondered if it would make more sense to hold the McKenzie Valley meeting later in the year to give the upriver community more time for recovery efforts.

Vice President Brown said, while he did not mind meeting in person, he understood and respected the positions of his colleagues on the matter. He asked if anyone knew if the upriver community had Internet service currently.

Mr. Lawson said, as far as he knew, there was Internet service in the area, albeit spotty. He said he would discuss the topic further with staff and get back to the Board.

Commissioner Barofsky said he was hesitant to push the meeting out any further, because—due to the Holiday Farm fire—they were not able to meet upriver last year, and it has been more than a year since such a meeting. He also pointed to future agendas, which had many items concerning the upriver area, and he questioned whether or not decisions should be made about the upriver area, without that community's input.

President Schlossberg posited that it would be advantageous to have an in-person meeting, given the challenges surrounding Internet service in the area.

Commissioner Carlson offered that, in the absence of access to vaccinations, she would be willing to personally attend an upriver meeting only if it were held outdoors.

President Schlossberg wondered if the wildfire mitigation discussion could be scheduled during a Work Session.

Mr. Lawson said it was certainly possible.

Board Wrap-Up

Commissioner McRae suggested a future agenda item concerning carbon targets for the electric side of the utility.

Vice President Brown pointed out that in the past, before anything was added to any agenda, Board consensus was sought, and although he was sure the Board would okay Commissioner McRae's request, he pointed this out for the sake of consistency.

President Schlossberg adjourned the meeting at 8:05 p.m.

Recorded by Rodney Cimburke

Assistant Secretary

President