

**EUGENE WATER & ELECTRIC BOARD
WORK SESSION
VIRTUAL MEETING
September 21, 2021
5:30 P.M.**

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

Others Present: Frank Lawson, General Manager; Mark Zinniker, Generation Engineering Supervisor

President Schlossberg called the Work Session to order at 5:30 p.m.

Agenda Check

There were no changes or additions to the agenda.

Leaburg Project Tour - Follow up and Q&A

Mr. Zinniker offered the Board a brief recap of the Leaburg project tour the Commissioners had recently attended.

Commissioner Carlson said that due to climate change affecting waterflows, the lack of regulatory certainty, and the fact Leaburg does not have a very large capability to generate electricity the project was seeming less and less viable.

Commissioner Barofsky said he agreed with Commissioner Carlson to an extent, but he needed more information—more data—about the Leaburg project before making a final decision.

Vice President Brown complimented staff for the Leaburg tour; he said it was one of the most effective tours he had been on while on the EWEB Board of Commissioners. He wondered if chinook salmon were moved to the Endangered Species List, how that would affect EWEB operations at the Leaburg facility. Vice President Brown also expressed concern about the Federal Energy Regulatory Commission (FERC) licensure as it pertained to seismic upgrades to the Leaburg canal.

Commissioner McRae listed three things he said he would like to see before making a decision:

- An estimate of the full cost of electricity generated at Leaburg over the course of a year
- At least a preliminary triple-bottom line (TBL) analysis
- More focused conversations with the residents of the upriver community

President Schlossberg agreed with Commissioner McRae about the need for more focused, in-depth conversations with upriver stakeholders. She added that a complete timeline for the project would also help with her decision-making.

Mr. Lawson said before the end of the year, EWEB staff would provide the Board and the community an outreach plan for the Leaburg project.

Commissioner Carlson referenced a backgrounder the Board received in January 2021. She wondered if, in the last nine months, the economic analysis presented in that backgrounder had changed.

Mr. Zinniker said it would look different, especially from the standpoint of Net Present Value (NPV), because the new NPV analysis would go beyond the life of the license, and takes into account end-of-licensure costs.

Strategy Revision/Update - Final Discussion

Mr. Lawson offered the Board a review and PowerPoint presentation on EWEB's strategic planning.

Commissioner Carlson said she would like more information about the possibility for a new EWEB secondary water treatment facility with Springfield. She said she was interested in the utility being involved in expanding broadband Internet for the benefit of the Eugene area; she admitted there were other, more crucial projects in the works already, but she did not want to lose sight of the broadband issue.

Mr. Lawson said EWEB recently signed a purchase and sale agreement on some property in Glenwood that would give the utility more flexibility to work with the Springfield Utility Board (SUB) and other entities toward a second water source on the Willamette River. He also stated if the Board wanted to move into broadband, he would probably want to bring in an outside party for consulting, rather than compete for staff resources, and the Board would have to be willing to look at financing to accomplish that.

Vice President Brown said he was in support of EWEB not getting rid of its educational grant programs which support local schools. He offered he was not in support of EWEB selling its electricity generation assets, especially since they were environmentally-conscious. Vice President Brown said he was okay pursuing something like broadband, but not until they had full knowledge of the economic impacts of such a project. He went on to say that he would not want to spend a lot of time and resources on that now because of other priorities. Lastly, he said he would be open to selling EWEB's upriver service territory (with the affirmation of the upriver community), and to taking a closer look at regional water issues, and EWEB's role in them.

Regarding Leaburg generation and the upriver service territory, Mr. Lawson clarified that the questions were not posed as a predisposition, or a desire. Management has historically viewed the answers as not being preordained, and if an opportunity came along that was good for everyone involved, then EWEB would be willing to explore it, as

these questions have not been eliminated by policy or strategy. The upriver area is part of EWEB's service territory, and we continue to serve and support that community the best way we can, and in alignment with EWEB's values and strategies. Commissioner Barofsky said he was not in support of EWEB expanding into other areas such as broadband, citing the ever-changing nature of technology and its obsolescence. He spoke against EWEB selling its generation assets, offering that as more and more fossil fuel-generating facilities go offline, it will be crucial for any utility to have green energy in their portfolio.

Commissioner McRae said he did not think EWEB should expand into broadband at present, but he said he would like to keep that avenue open for the future. He indicated that he does not have strong feelings about EWEB-owned generation, however he cares very much about the mix of power that EWEB purchases and wants to retain some measure of generation that is locally controlled and locally generated. He asked when and how would the Board address its strategic goals; he said due to the large decisions the utility had before it, he would like to see at a minimum Strategic Direction policy 15 revisions in the next six months.

Mr. Lawson offered that a reference could be included in the Strategic Plan that states the execution of the Strategic Plan (SP) would be reiterated, captured, discussed, and approved as part of the utility's annual goal setting process. He added that if any commissioner wanted to have a discussion about a specific board policy, the commissioner can make that proposal during Items from Board Members. Upon receiving concurrence from other board members, staff would put said discussion on a future Board agenda.

President Schlossberg said she found discussions of the SP a bit confusing and broad, and would like to see a more streamlined discussion especially surrounding how the plan is carried out through measurable goals. She said she was not interested in EWEB pursuing broadband at this time, and posited Internet access should be a public utility, although she was not sure whether EWEB should be the provider. Finally, President Schlossberg asserted EWEB should not get rid of its social and community services.

Mr. Lawson explained that not everything EWEB does is strategic, many things are captured in operational metrics. For example, energy efficiency targets are covered under past direction provided by the board. Targets have been established via integrated resource plans et cetera. Policies, resolutions, and annual goal setting also direct how the utility operates.

Commissioner McRae asked if it was possible to retain local control of local power generation without owning it.

Mr. Lawson said it was possible to do so.

Commissioner McRae asked about the timeline of the next SP revision.

Mr. Lawson said that would most likely come back to the Board in April or May of 2022.

Board Wrap Up

Commissioner Barofsky mentioned that he had recently drove back to Eugene from Bend, and along the way, stopped at Finn Rock Reach. He said he was heartened to see water flowing in the tributaries which flowed into the Reach.

Mr. Lawson mentioned there was a tour for Commissioners of Finn Rock Reach planned for October 22, 2021.

President Schlossberg adjourned the meeting at 7:00 p.m.

Recorded by Rodney Cimburke

Assistant Secretary

President