

EUGENE WATER & ELECTRIC BOARD
REGULAR MEETING
September 2, 2025
5:30 p.m.

Commissioners Present: Vice President, Mindy Schlossberg; and Commissioners Sonya Carlson, John Brown, and Tim Morris

Commissioners Absent: President, John Barofsky

Others Present: Frank Lawson, General Manager; Deborah Hart, Assistant General Manager/Chief Financial Officer; Brian Booth, Chief Energy Resource Officer; Karen Kelley, Chief Operations Officer; and Diedre Williams, Chief People Officer; Jason Heuser, Public Policy and Government Affairs Program Manager; Adam Rue, Rates Manager; and Julie McGaughey, Chief Customer Officer

REGULAR MEETING

Call to Order [00:00:00]

Vice President Schlossberg called the regular meeting to order at 5:30 p.m.

Agenda Check [00:00:15]

There were no changes to the agenda.

Items from Board Members and Assistant General Manager [00:01:02]

Commissioner Brown acknowledged EWEB employees who have been working outside in the elements (i.e. hot weather).

Commissioner Morris shared a positive comment from a constituent of Ward 4 who described catching a water leak in their basement early thanks to EWEB's automatic water usage notifications.

General Manager Lawson reported that he, Assistant General Manager and Chief Financial Officer Deborah Hart, and Chief Operations Officer Karen Kelley met with City of Eugene management to schedule more detailed discussions about the fire hydrants proposal with the goal of establishing boundaries and conditions. Mr. Lawson acknowledged EWEB staff who have automated the move in/move out process, which is now available on the portal.

Correspondence [00:04:01]

1. Bonneville Power Administration Power Cost Adjustment

- BPA is adjusting rates and charges effective October 1, 2025 – 3.4% for all classes, 2.7% for residential customers (lower than the expected 4%).
- The BPA Power Cost Adjustment will affect customer classes differently; customers within each class will see varying impacts depending on usage patterns.
- EWEB will be implementing the BPA Power Cost Adjustment provision in Customer Service Policies, Retail Power Contracts, and Board Policy SD10 Power Cost Recovery Policy to reflect the increase in BPA costs effective November 1, 2025, and recommends

that these costs be incorporated into the December rate action for permanent inclusion effective February 2026.

2. Intergovernmental Agreement (IGA) with City of Eugene for Billing Services

- Current agreement expires October 2025.
- Key revisions include clarifications and additional specificity in the following areas: Public Communications, Cost Responsibility for System Participation, User Access to Billing Systems.
- Proposed fee update is \$3.48 per bill (from \$1.97) reflecting a more comprehensive and equitable cost allocation methodology based on actual resource use and shared services.
 - Key drivers of proposed increase are Customer Service Cost Allocation, Merchant Services, and Customer Care Program Allocation.
- Approval of the proposed updated IGA will be requested via consent at the October 2025 Board meeting.

Regarding Correspondence Item #2 (IGA with City of Eugene), Commissioner Brown requested an explanation about the significant billing disparity. He asked if there is any way of recovering the funds.

Mr. Lawson clarified that it is going from under \$1.2 million to almost \$2.5 million. He explained that some of that is based on the cost allocation – the greater percentage of the bill, the greater the allocation of those costs; and how the customers' numbers are divided. He does not believe it is a past error, but the result of updates to billing determinates. He does not believe the previous agreement called for retroactive adjustment.

Assistant General Manager Deborah Hart added some context about what drove the cost increase. She explained that there was a more comprehensive collection of costs, specifically as it related to billing rather than focusing just on people who answered questions by phone and in the lobby. She mentioned a significant increase in merchant services fees. She said they have more closely aligned the City's portion with the portion of revenue that EWEB collects on their behalf.

Regarding Correspondence Item #1 (BPA Power Cost Adjustment), Vice President Schlossberg commented that she is glad to see the pass through is less than they thought it would be. She acknowledged that EWEB has done their best to lower price increases on their end and it is good to see some relief coming BPA's way.

Public Input: In-person or by Telephone [00:08:38]

The following testimony was provided to the EWEB Commissioners: The Board neither endorses or opposes, or is responsible for the accuracy of content, of testimony including any links or references provided.

Verbal Testimony:

Craig Patterson (telephone), of McKenzie Bridge, spoke in opposition to the Seneca contract renewal. He said the nondisclosure contract undermines public confidence in a public utility.

Nancy Ahnert, Ward 2, expressed opposition to the Seneca contract renewal. She challenged biomass burning as a renewable energy source and urged other renewable energy sources.

Debra Higbee, Ward 7, Oregon Chapter Sierra Club, spoke in opposition to the Seneca contract, citing concerns about the lack of public process, air pollution, and impacts to climate and habitat. She challenged biomass burning as a renewable energy source and said it incentivizes industrial logging. Ms. Higbee provided a letter on behalf of the Sierra Club, Breach Collective, Beyond Toxics, and Cascadia Wildlands, who all stand in opposition to the Seneca contract. She urged that EWEB hold a public hearing on the topic.

Jim Neu, Ward 7, highlighted the need for sustainable energy generation methods and provided suggestions for addressing it. He expressed opposition to the Seneca contract. Mr. Neu invited Commissioners to Third Act Oregon's Sun Day celebration at the Campbell Community Center on September 21, 2025 at 12:00 p.m.

Eric Dziura, Ward 6, addressed concerns raised by the union and rate increases. He referenced recent community input published in Lookout Eugene-Springfield.

Stephen Fuller-Rowell expressed opposition to the Seneca contract. He challenged biomass burning as a clean and renewable energy source.

Mark Robinowitz provided comments related to Western Electricity Coordinating Council (WECC) sustainability, improving communications, and reducing consumption. He spoke in opposition to the Seneca contract.

Commissioner Morris thanked those who provided public testimony, including Jim Neu for notice of an upcoming public event and Eric Dziura for his engagement.

Commissioner Brown thanked those who provided public testimony. He responded that Seneca only burns biproduct from mills. He mentioned that Lane Regional Air Protection Agency (LRAPA) provides monitoring and suggested a possible need for further clarification of information related to the Seneca contract. Commissioner Brown noted that the topic will be discussed in-depth later in the meeting.

BOARD ACTION ITEMS

Approval of Consent Calendar – A, Minutes and Routine Contracts [00:33:24]

MINUTES

1. August 5, 2025 Regular Session

CONTRACTS

2. **Corrpro Companies, Inc.** – for a Transportation Main Corrosion Survey \$461,000 based on a Formal Request for Proposals (RFP)
3. **Day Wireless** – for the use of a cooperative contract to purchase an Avtec Radio Dispatch Console \$270,000

4. **Wildish Building Company** – for additional funds for Construction Services at Danebo Substation \$192,000 (original contract \$676,000, resulting cumulative total \$868,000).

MOTION: Commissioner Brown moved to approve Consent Calendar A. The motion passed unanimously, 4:0:0; Vice President Schlossberg, Commissioner Carlson, Commissioner Brown, and Commissioner Morris all voting in favor.

Approval of Consent Calendar – B, Nonroutine Contracts and Other Consent Items [00:33:44]

CONTRACTS

5. **Anixter, Inc.** – for Underground Separable Connectors \$1,200,000 (estimated over 5-year period) based on Formal Invitation to Bid (ITB).

MOTION: Commissioner Brown moved to approve Consent Calendar B. The motion passed unanimously, 4:0:0; Vice President Schlossberg, Commissioner Carlson, Commissioner Brown, and Commissioner Morris all voting in favor.

Resolution No. 2516 – Authorization To Extend with Revised Terms and Conditions A Power Purchase Agreement with Seneca Sustainable Energy LLC And Option to Resell at Near “Market Neutral” Levels [00:33:54]

Mr. Lawson and Chief Energy Resource Officer Brian Booth presented the following background information and recommended a short-term extension of a purchase power agreement with Seneca Sustainable Energy LLC via PowerPoint presentation.

Background

- Seneca Sustainable Energy LLC (SSE) Agreement (2011-2026)
- 19.8 MW Biomass-Fueled Combined Heat/Power Plant
- Operating Characteristics (local, stored fuel, capacity factor, renewable energy credits (RECs))
- Clean Air Oregon (air toxics program and standards) with favorable compliance record (LRAPA)

Mr. Lawson stated that the facility is not strictly biomass, but a combination of heat and power (known as a cogeneration plant). He said that staff are recommending a short-term extension of the Seneca contract through December 2029.

Resolution

- Favorable revision of Terms and Conditions
- Short-Term Extension (Dec. 2029) as contracts, markets, regulations evolve
- Non-subsidized “Market Neutral”; Option to market the energy and RECs

Mr. Lawson responded to questions from Commissioner Carlson related to market neutrality, the proposed timeframe, and the implications if EWEB does not extend the Seneca agreement.

Mr. Lawson cited two reasons for the three-year timeframe: the Bonneville contract initiation in 2028 and marketing options flexibility. He said that the Seneca plant would not shut down if Commissioners voted against the resolution – Seneca would market elsewhere.

Mr. Lawson and Mr. Booth responded to questions about the amount of storage onsite at Seneca and EWEB's average yearly load (275 megawatts).

Commissioner Morris validated public comments stating that the Seneca contract is coming before the Board quickly. He asked for more clarification about the process.

Mr. Booth and Mr. Lawson described components of combined heat and power (CHP) (i.e. cogeneration).

Commissioner Morris asked if, from their expertise, the response from LRAPA about the favorable compliance record is reassuring.

Mr. Lawson responded affirmatively. He provided examples of environmental protections already in place. He referenced a 2021 study on behalf of the National Renewable Environmental Labs declaring biomass (specifically co-gen) as a clean energy resource. He added that the State of Oregon has deemed biomass as a renewable energy resource.

Noting his experience with the topic, Commissioner Brown offered his perspective, stating that he is grateful EWEB has the opportunity to renew the contract as it is favorable for continued input on operations. He agreed that LRAPA provides excellent oversight.

Vice President Schlossberg expressed general support for the resolution.

Commissioner Morris expressed nominal support for the resolution.

Commissioner Carlson expressed general support for the resolution, while emphasizing the need for a continued focus on energy efficiency and other renewable energy resources.

MOTION: Commissioner Brown moved to approve Resolution No. 2516 – Authorization to extend with revised terms and conditions a Power Purchase Agreement with Seneca Sustainable Energy LLC and option to resell at near “market neutral” levels as presented. The motion passed unanimously, 4:0:0; Vice President Schlossberg, Commissioner Carlson, Commissioner Brown, and Commissioner Morris all voting in favor.

GENERAL BUSINESS ITEMS

Current Year Legislative and Regional Policy Update and Upcoming Year Legislative Session Preview [01:02:16]

Public Policy and Government Affairs Program Manager Jason Heuser presented a Legislative and Regional Policy Update via PowerPoint presentation.

Mr. Heuser outlined Regional Affairs:

Columbia River Settlement Agreement Rescinded

- Accord with federal commitments to salmon restoration had provided measure of certainty on federal hydropower operations and stayed legal challenge
- June 2025 reversal opens possibility of a return to litigation

Columbia River Treaty Negotiations Paused

- July 2024 Agreement in Principle reduces Canadian entitlement overpayment 37% immediately, 50% in 2031 and beyond
- Negotiations paused earlier this year as part of review of international agreements by new U.S. administration

He outlined Oregon Post-Session Activity:

Oregon Energy Strategy

- Process began July 2023 – EWEB represented on advisory committee and technical groups – final draft due to legislature November 1, 2025
- Public Comments on strategy draft are due September 22, 2025
- Topics of Interest: OR Transmission Authority & Large Load Registration

HB 2688 Prevailing Wage Offsite Fabrication Rulemaking

- Expands prevailing rate of wage to certain off-site custom “bespoke” fabrication for public works projects
- “Bespoke” is not defined in the bill – rulemaking will have a critical role determining whether this bill could increase costs and complexity

Mr. Heuser outlined Oregon 2026 Legislative Session Preview:

Solar Consumer Protection (Reintroduction)

- Model Disclosure and 72 hour “Right to Cancel” Clause
- Increased DOJ enforcement authority
- Enhanced private right of action as deterrent

Carbon Pricing/Cap and Trade

- Longshot in 2026 session
- Stakeholders are readying their positions now though on design elements
- EWEB played a central advisory role on the electric sector provisions of the 2019 and 2020 bills – recommended we reprise outreach now

Mr. Heuser outlined Electric Sector Point of Regulation:

- Generation: If costs are attributed to generation, the economic decision to run the resource is impacted.
- Buyer (Wholesale Buy): If carbon costs are part of the price, the economic decision about what to purchase is impacted

- Load (Retail Sale): If carbon costs are part of retail rates, the economic decision about how much electricity to consume is impacted
- A carbon price is intended to change which generators run
- A “pure price signal” reduces emissions more than a “clouded price signal”

Mr. Heuser provided a bar graph detailing source-based (preferred) versus load-based (not preferred) methods. He added that consistent Point of Regulation could be required for regional linkage; and that linkage could provide important stability and ease administrative burden.

Mr. Heuser outlined Key Elements of Effective Carbon Pricing Important to EWEB:

- Upstream Point of Regulation – First Jurisdictional Deliver (FJD)
- Regional Linkage
- Revenue Recycling
- Fair allocation of free allowances to utilities
- Account for hydro variability

Mr. Heuser outlined Organized Markets:

- Moving target on how best to regulate – flexibility recommended

General Manager Recruitment Process [01:35:30]

Chief People Officer Diedre Williams presented the General Manager Recruitment Process, including hiring process objectives, constraints, and standards via PowerPoint presentation.

Ms. Williams outlined the Process Objective:

- Identify and retain new General Manager who is best qualified to guide EWEB to success on both long term and short term horizons
 - Comply with all governance requirements
 - Withstand internal and external scrutiny
 - Timely and efficient
 - Limit disruption to the Utility

She outlined Process Constraints:

- No current Board policies controlling the methodology of General Manager recruitment/selection
- ORS 192.660 (7) specifies that the following actions must take place publicly:
 - Posting of a vacancy
 - Adoption of hiring procedures
 - Confirmation of hiring standards (minimum and preferred qualifications)

The public must be given the opportunity to comment on all of the above before any discussions in executive session can occur.

Ms. Williams outlined Process Constraints: General Session versus Executive Session

General Session

- Discussion and direction/decision regarding process

- Working sessions to determine hiring standards
- Decision to make an actual offer of employment

Executive Session

- Attorney/client discussions of qualified topics
- Discussion of candidate's qualifications against the hiring standards
- Direction to negotiate a potential offer of employment to identified candidate

She outlined Hiring Process Decisions: Subcommittee

Purpose of Committee:

- As determined by the Board
- Example: Could work independently and directly with recruitment resources to create a short list of qualified candidates for full Board review

Ms. Williams outlined the pros and cons of forming a hiring subcommittee; she asked the Board to consider forming a subcommittee to expedite the executive search process.

There was general consensus that forming a subcommittee will not be necessary.

Ms. Williams outlined Hiring Process Decisions: Sourcing Parameters

Decision: Determine resourcing and parameters for recruitment search

- Direct solicitation – targets already known candidates
- Internal solicitation – open process for EWEB candidates only
- Open solicitation – open process with a nationwide search

Ms. Williams provided pros and cons for each type of solicitation. She noted that the staff recommendation is open solicitation, specifically by engaging an executive search firm with expertise in the utility industry. She asked the Commissioners which solicitation approach (direct, internal, or open) they would prefer to secure EWEB's new General Manager.

There was general consensus to support an open solicitation process.

Ms. Williams provided a high-level hiring process timeline, starting in September 2025 and ending in February – April 2026.

Vice President Schlossberg asked for more information about the role of Commissioners during the interview and hiring process.

Ms. Williams responded with a detailed description of the Commissioners' role alongside the proposed timeline.

Commissioner Brown requested that a poll be conducted to ensure Commissioner availability throughout the recruitment process.

Ms. Williams assured Commissioner Brown that staff will respond with a poll and will work flexibly with Commissioners' schedules.

Ms. Williams outlined the following hiring standards:

The Board must identify the standards against which job candidates will be considered.

- The artifact confirming these standards is typically the position description (PD)
- A draft PD, updated to reflect staff's understanding of the role, has been prepared for Board review and discussion

She asked the Commissioners if the PD accurately conveys the duties and skills expected of a successful General Manager candidate and if the minimum and preferred qualifications accurately portray the education, experience, and certifications desired from the candidate pool.

The Board expressed no reservations.

Update: Rate Design Attributes and Considerations (Fixed Versus Variable Charges)
[02:21:15]

Rates Manager Adam Rue and Mr. Lawson engaged the Board in a discussion about rate design attributes and considerations (fixed versus variable charges) via PowerPoint presentation.

Mr. Lawson highlighted Roles of Programs and Rates:

Programs

Benefit delivery:

- Demographics-based targeted beneficiaries, investments and outcomes
- Nondiscriminatory – program access and benefits are available to all qualifying customers

Rates

Cost recovery:

- Alignment/cost causation (present)
- Consumption behavior (future)
- Nondiscriminatory – pricing consistent and available to all similarly situated customers

Mr. Lawson explained that cost-price alignment is helpful as it clearly differentiates the investments and desired outcomes necessary for programs to deliver value and improves effectiveness of future pricing designed to inspire beneficial consumption that avoids/optimizes future costs.

Mr. Lawson provided a bar graph illustrating that low usage does not equal low income.

Mr. Rue provided a line graph highlighting usage patterns and subsidy cross-over point (usage at current and COSA based rates).

Mr. Rue provided a bar graph detailing EWEB's basic charge bill comparisons of monthly residential basic charges compared with other local and regional utilities.

Mr. Lawson and Mr. Rue engaged Commissioners in a discussion about maintaining the current rates and programs focus versus their appetite for increasing fixed charges.

Commissioner Carlson sought more clarity about usage patterns and subsidy cross-over point.

Mr. Lawson provided further details for a more comprehensive understanding.

Commissioner Carlson said her appetite to increase fixed charges would be more if she could see examples of what bills would look like in each category (i.e. in one scenario versus another).

Mr. Lawson said he would follow up with side-by-side bill comparisons.

Commissioner Carlson requested information about the impact on limited income customers specifically across the different categories.

Commissioner Morris shared his perspective that it is hard to engage in a conversation about rate design without an in-tandem conversation about programmatic response.

Mr. Lawson validated Commissioner Morris's point.

Vice President Schlossberg suggested presenting the information with scenarios rather than graphs, i.e. qualitative rather than quantitative.

Future Board Agendas [02:57:51]

Mr. Lawson will be joining the October meeting remotely. He mentioned the upcoming Safety Exposition happening on September 11, 2025.

Board Wrap Up [03:00:40]

Commissioner Carlson reported attending a tour of the Hayden Bridge/Lower River. She also mentioned her excitement about new features included in EWEB's system, citing a better customer service experience.

Adjourn [03:01:54]

Vice President Schlossberg adjourned the regular meeting at 8:32 p.m.

Recorded by Terah Van Dusen, LCOG

Assistant Secretary

President