

EUGENE WATER & ELECTRIC BOARD
WORK SESSION
EWEB BOARD ROOM
JANUARY 2, 2013
5:30 P.M.

Commissioners Present: John Simpson, President; John Brown, Vice President; Dick Helgeson, James Manning and Steve Mital

Others Present: Roger Gray, Debra Smith, Sheila Crawford, Todd Simpson, Mel Damewood, Roger Kline, Anne Kah, Joe Harwood, Erin Erben, Mark Freeman, Sue Fahey, Brad Taylor, Wendi Schultz-Kerns, Lena Kostopulos, Susan Eicher, Kevin Biersdorff, Felicity Fahy, Steve Mangan, Lance Robertson, Gail Murray, Charlie Walker, and Taryn Johnson of the EWEB staff; Vicki Maxon, recorder.

President Simpson convened the Work Session of the Eugene Water & Electric Board (EWEB) at 5:15 p.m.

BOARD GENERAL DISCUSSION ABOUT EWEB DIRECTION AND EXPECTATIONS FOR 2013 STRATEGIC PLANNING

Roger Gray, General Manager, and Erin Erben, Power Resources & Strategic Planning manager led the general discussion.

Ms. Erben welcomed and congratulated the new Commissioners. She noted that tonight's discussion is for the purpose of getting feedback on what the Board has heard from staff over the past year regarding strategic planning, and for staff to hear the Board's personal expectations and experiences regarding the shaping of EWEB's future. She added that tonight, after a brief overview of the strategic planning process and the Board's responsibilities in that process, staff will ask for Board input as part of a continual dialogue regarding Board direction and expectations for strategic planning for the year 2013.

Using overheads, Ms. Erben then briefly reviewed Board policy GP3, Board Strategic Plan Development, and also reviewed EWEB's Strategic and Operational Planning Process road map.

General Manager Gray wished the Board Happy New Year and welcomed the new Commissioners. Using overheads, he then reviewed EWEB's mission and values, overarching strategy, and business strategies.

Sheila Crawford, Strategic Planning Manager, facilitated the discussion of EWEB's Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis. Each Commissioner identified their SWOT items and Anne Kah, Executive Assistant, recorded them on flipcharts.

President Simpson reiterated the SWOT list he had previously submitted.

Commissioner Helgeson agreed with President Simpson's SWOT items and then added his own.

Commissioner Manning stated that he is honored and pleased to be an EWEB Commissioner and that he is looking forward to learning and hearing more from EWEB's customers. He noted that he is a retired military man, and that he will be working on removing his military hat and putting on his civilian hat. He agreed with the SWOT items that President Simpson had listed and then added his own items, noting that because he is in "learning mode," he doesn't have a lot to add. He then added his SWOT items.

Vice President Brown apologized for arriving late. He noted that first and foremost, EWEB's employees are #1, and that everywhere he goes, he hears how good EWEB's employees are. He gave the example of EWEB's Environmental Department and how much positive he has heard about the work they do. He then added his SWOT items.

Commissioner Mital stated that it is a privilege to be a Commissioner, and noted that he had spent approximately 40 hours sitting in the audience at Board meetings in preparation for his role as a Commissioner. He noted that he wants to learn more and revisit some of the previous items that have been listed. He agreed with Vice President Brown that EWEB has an excellent staff, and that he experienced this even before he ran for his Commissioner seat. He then added his SWOT items.

Ms. Crawford then asked the Board for their expectations from staff based on the SWOT items they listed.

Commissioner Manning stated that he is still learning from and listening to his colleagues, and that he generally agrees with everything they have said. He wondered if the EWEB staff layoffs have actually resulted in savings or in worse or better customer service, and he asked if there have been any lessons learned.

Commissioner Manning then noted that his personal style is to sit back and learn so that he can be informed instead of "shooting from the hip" without the proper information. He added that he is looking forward to visiting with his constituents to learn their concerns, and also to learning from his fellow Commissioners.

Vice President Brown stated that he would like to hear more than one option and more than one outcome in staff presentations, and also would like to see an action plan from those options, i.e., for advanced metering infrastructure (AMI), Carmen-Smith, second source water, etc.

President Simpson agreed with Vice President Brown's comments, and added that he would like to staff to separate options into short- and long-term, and also to find common elements within those options, and emphasize those. He added that he would also like staff to present "how about" options—i.e., don't try to fix something in one cycle, and return to the Board to clarify expectations.

Commissioner Helgeson asked staff to stay in the conversation and not become despondent if the Board doesn't go for the first option that is presented. He also asked staff to give the Board their first thoughts even if staff feels they're not totally coherent, and he noted that staff doesn't need to have the options already figured out, because that denies the Board the opportunity to participate in the thought process. He added that in his opinion, if staff and Board are all in it together, it's better. Lastly, he asked staff to be patient with him, as he is still learning.

Commissioner Mital reminded everyone that he is new and that it will take him some time to learn the "formalities," i.e., the conversation during a Board meeting is different than a conversation in the fitness center, and that sometimes the formality is difficult for him. He noted that his personal style is to ask a lot of questions because he learns by clarifying, and that he hopes his asking questions for clarification is not mistaken for mistrust. He added that honesty is helpful and that he hopes that conversations can be relaxed despite the formality, and that the Board can trust that staff will get back to them when they say they will.

In closing, Commissioner Mital noted that EWEB has been a shining star for a long time and that they have been publicly knocked down recently, which in his opinion results in a defensive posture and adds to the difficulty of moving forward. He noted that it is okay for staff to swallow their pride and admit they've made a mistake, if that in fact is the case.

President Simpson voiced appreciation to General Manager Gray, Ms. Crawford, Ms. Erben and Ms. Kah for helping the Board identify the above issues, and added that he has faith that staff will continue to do so.

Ms. Erben then identified the next steps in the process, including upcoming American Public Power Association (APPA) webinars and strategic planning workshops.

Taryn Johnson, Executive Assistant to the Board and General Manager, noted that the webinars are a subscription series that will be purchased once a month through September 2013, and that the first one will be shown from 11 a.m. to 12:30 p.m. at EWEB on January 22 if the Board is available at that time, or the Board can watch them at home if need be.

Vice President Brown noted that January 22 is the same day as the Eugene Planning Commission meeting, and he wondered if that is a possible conflict. Ms. Smith replied that the Board doesn't necessarily have to watch it on January 22, as long as they watch it sometime before the webinar after that one, which will be shown on February 19.

General Manager Gray clarified that the schedule for the webinars will be sent to the Board and that each webinar will be recorded for future viewing.

Ms. Smith told the Board that for the first meeting in March, staff will be presenting current financial issues and a portfolio of financial-based initiatives, including overall financial stability heading into the year 2014-15.

She added that staff doesn't believe EWEB is in financial crisis, though if it would have stayed on the same path it was previously, it would have been. General Manager Gray confirmed that the previous path has been slowed but there are many challenges ahead, especially for 2014-15.

Vice President Brown stated that he would also like to hear point/counterpoint for any options that staff presents. He asked the Board to keep in mind that the frequency of Board meetings went from two a month to one a while back, and that there is a lot on the table, and that the new Commissioners have stated that they look forward to more discussion. He said that he wants to get things right, so if the frequency of Board meetings has to go back to twice a month for a while, so be it.

General Manager Gray gave an example of how a point/counterpoint staff presentation might work and a brief discussion followed.

Commissioner Manning stated that he is a mediator and also a private investigator, so he listens a lot. He noted that if he doesn't respond to a comment or presentation, that doesn't mean he is ignoring the person, and that he will speak up when he has questions, but he won't repeat the same question if someone else has raised it, just to hear the sound of his own voice. As an example of a common sense issue, he stated that he is a big fan of education but he wonders if it makes sense to continue to pour money into energy education when there are customers who can't afford to pay their EWEB bill.

Commissioner Mital recalled an earlier comment by General Manager Gray regarding a previous Board discussion that elicited no Board comment regarding capital plans, but 50 minutes of discussion regarding energy education grants. He agreed that risk and reward options are great for Board discussion and decision-making.

General Manager Gray clarified that staff will offer options with short- and long-term perspectives for each, and he stated that he would like to adopt this as normal practice for the 2014 financial discussion.

President Simpson confirmed that the Board favors that type of presentation, presenting a range from the most conservative options to the most liberal, and then the Board will be able to "set the needle in between" more easily.

President Simpson adjourned the Work Session at 6:40 p.m.

Assistant Secretary

President