

EUGENE WATER & ELECTRIC BOARD  
REGULAR SESSION  
EWEB BOARD ROOM  
MARCH 4, 2014  
5:30 P.M.

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

Others Present: Roger Gray, Erin Erben, Adam Rue, Sybil Geiselman, Mel Damewood, Lisa Atkin, Karl Morgenstern, Jeannine Parisi, Roger Kline, Jason Heuser, Mark Freeman, Cathy Bloom, Sue Fahey, Frank Lawson, Harvey Hall, Kathy Grey, Catherine Gray, Todd Simmons, Joe Harwood, Lena Kostopulos, Dave Churchman, Brad Taylor, Julie Bivens, Kevin Biersdorff, Matt Sayre, Will Price, Megan Capper and Anne Kah of the EWEB staff; Vicki Maxon, recorder.

President Brown convened the Regular Session of the Eugene Water & Electric Board (EWEB) at 5:35 p.m.

**AGENDA CHECK**

There were no items.

**ITEMS FROM BOARD MEMBERS**

Commissioner Manning noted that he had received a certification for the Northwest Public Power Association Robert's Rules of Order training.

Vice President Mital referenced a recent survey of Greenpower customers and voiced concern about how \$200,000 of a recent Greenpower grant will be distributed for solar power. He asked staff for a backgrounder in order to get a better understanding of how much is being spent on private residential rooftop solar installations and what options could be offered to leverage some additional community benefit from those investments.

President Brown asked for head nods for the above staff backgrounder. Four head nods were received.

Commissioner Helgeson stated that he had attended the 20<sup>th</sup> anniversary celebration for the Renewable Northwest Project in Portland in support of renewables, and that he and Jason Heuser, Legislative Representative, had also worked with this organization on legislative matters.

Commissioner Helgeson also stated that he will be attending a Northwest Public Power Association (NWPPA) meeting soon (one of three meetings per year) and will provide a report.

Commissioner Simpson stated that he had received very positive feedback regarding electric service restoration during the recent ice storm. He said he believes much of that can be attributed to EWEB's use of social media to communicate with customers regarding the timing of service restoration, and that he looks forward to continued discussion about opportunities to enhance that communication with new technology. He asked General Manager Roger Gray if he has an estimate on the cost of service restoration, repairs, etc.

General Manager Gray replied that the estimate received from Lane County is \$1.701 million, with some follow-up repair jobs still ongoing. He added that Federal Energy Management Agency (FEMA) will be interviewing all agencies involved next week.

Commissioner Simpson stated that he had shadowed EWEB customer service representatives on Monday afternoon, March 3, spending one hour on the phones and three hours at the counter in the lobby. He stated that since that day was a pay day for many customers, it was very busy, and that he is very proud of EWEB's customer service operations. He noted that while at times there were as many as 10 customers in the hold queue, they were only in that queue for 30-40 seconds, and then that number was reduced to one or two.

Commissioner Simpson then stated that he is preparing to travel to Washington, D.C. with Commissioner Manning for the APPA legislative rally next week by brushing up on regional issues via a webinar, and representatives from Springfield Utility Board (SUB) and Emerald People's Utility District (EPUD) will also be making the trip.

Regarding use of EWEB's parking lot for Oregon football game day parking revenue, Commissioner Manning proposed that both local school districts have an equal opportunity to participate in this fund raiser, i.e., that they each be assigned three games issued in alternate years.

Lance Robertson, Public Affairs Manager, stated that the second year of this program has just been completed. He explained that all schools within EWEB's service territory (not just School District 4J and Bethel School District) are eligible to submit an application (one per school) to participate in this fundraising program and then six or seven winners are randomly drawn for each home game. He noted that last year any school that had been drawn before was out of the running.

After a brief discussion with staff, Commissioner Manning stated that he believes it would be fairer for the school district to select the schools that will benefit from this fundraiser.

President Brown asked that this discussion be continued outside of the Board meeting.

Regarding management of time for each agenda item, President Brown asked for confirmation that there is equitable time for staff and Board, i.e., if 30 minutes is allotted for an agenda item, that constitutes 15 minutes for staff presentation and 15 minutes for Board discussion.

General Manager Gray confirmed that protocol states that, for example, if an agenda item is allotted 40 minutes, staff is still required to limit their presentation to 15 minutes. He reminded the Board that there is an opportunity to borrow the City Council's time queue equipment for a trial, and if the Board likes the way it works, the same type of equipment can be purchased for the Board.

## **PUBLIC INPUT**

**Carolyn Stein** from the BRING Recycling Rethink program thanked the Board and EWEB staff for their support for the last three years. She recalled that the Rethink program was launched in 2010 as a pilot program and funded by a one-time grant with assistance from EWEB's commercial conservation programs, and that this program meets with businesses about strategies for recycling, energy conservation and waste reduction. She gave the example of a local business that had saved \$14,000 per year in energy costs as a result of the Rethink program.

**Cindy Allen** recalled the Take Back Your Power documentary which discussed smart metering issues and the proposed centralized power grid, and noted that this documentary recently won an award for being the #1 transformational film of the year. She reminded the Board that they are required to impartially present all sides of issues and that they have an obligation to protect the public, and she added that the Board has an obligation to tell EWEB customers about this documentary and that it is available to view via the internet, as they have probably not seen it.

**Robin Bloomgarden** lives in the Whiteaker neighborhood. She reiterated previous Board testimony that Families for SAFE Meters is opposed to any wireless smart meter program due to the expanding health, safety, cyber security and financial reliability of other smart meter programs worldwide. She said that Families for Safe Meters wants to learn how staff is gathering and interpreting information, wants information about pilot projects, and wants to learn how this information will be communicated to ratepayer/owners, and that they "respectfully demand" that the Board execute their fiduciary obligation to inform them of any actions of staff that may be adverse to ratepayers and the Eugene community. She asked the Board for answers to the following nine questions.

**B.K. Hoffman** (Harlow Road area) read the nine questions to the Board:

1. Single family residences – who shall have the authority to opt in? Present and future owners, tenants or property managers, or the agreement of all of the above?
2. Multifamily residences – who shall have the authority to opt in? Present and future owners, tenants or property managers, or the agreement of all of the above?
3. Office, commercial and industrial buildings - who shall have the authority to opt in? Present and future owners, tenants, sub tenants, employees or property managers, or the agreement of all of the above?
4. Educational buildings - who shall have the authority to opt in? Administrators, students, faculty, employees and/or parents?
5. Health care facilities - who shall have the authority to opt in? Administrators, medical staff, employees and/or the public?

6. Municipal buildings - who shall have the authority to opt in? Administrators, council members, employees and/or the public?

7a. Regarding those who are granted the authority to opt in, will those who opt in be allowed to later opt out?

7b. If so, under what conditions?

8. What considerations for EWEB's smart meter program are being given to the policies set forth in the Americans with Disabilities Act to insure compliance with those policies?

9. Are you, as an elected Board member, willing to commit to fully disclose these policies to ratepayer/owners and the people of Eugene in a series of well-publicized public forums prior to entering into a contract for the implementation of a wireless smart meter program?

Mr. Hoffman stated that Families for SAFE Meters respectfully demands answers to the following nine questions on or before the April 1, 2014 Board meeting or, if not by then, within an alternate proposed timeline, and that, in either case, they respectfully demand an answer to question #9 by April 1, 2014.

**Kathy Ging** stated that momentous changes are predicted for utilities and recalled that a futurist who spoke at EWEB's 100<sup>th</sup> anniversary said that utilities need to not view ratepayers as foes but as allies as they decide to partially or wholly remove themselves from grids. She noted that the "solar wizards" are no longer at EWEB and believes some Commissioners don't recognize that inevitable grid democratization in Germany and elsewhere is assisted by feed-in tariffs, nor do they understand externalities like oil spills, pipeline and train accidents, etc. and instead see these as the cost of doing business. She stated that a citizen ad hoc committee would define priorities, invite public involvement, and hopefully make presentations to the Board. She also identified her experience of the following community concerns: termination of EWEB's free meeting rooms; cutbacks in conservation programs; lack of public forum before the IERP community advisory committee regarding future energy concerns; termination of EWEB's 25-year alliance with the Northwest Conservation Act Coalition; limitation of public testimony to three minutes; no public input during work sessions; and the mishandling of wireless smart meter information and public relations with no discussion of Option Zero. In closing, she asked the Board to keep an eye on the smart metering lawsuits being filed, Arizona's smart meters study, and the largest utility in Massachusetts writing to the Public Utility Commission that smart meters are irrational.

Regarding smart metering, **Yaqin Sliwinski** (West Eugene) read the following statements and asked the Board to consider what they have in common:

Nuclear power and radiation is safe, clean and cheap.

DDT only affects bugs.

Malathion is drinkable.

Thalidomide has no significant side effects.

Tobacco doesn't cause cancer.

Asbestos has no harmful effects on humans.

Smart meters are safe.

Mr. Sliwinski stated that all the above statements were made by industry and that all the safety guidelines were established by industry and not federally funded health studies. He then asked what the safe radiation limit for a human fetus is in regard to smart meter radiation, and he asked the Board to cite the study that confirms that it is safe.

Commissioner Manning thanked everyone for their testimony. He reminded the audience that EWEB has about 10-15 pages on their website regarding EWEB's proposed smart metering program, and he asked them to research that information. He added that he respects that some customers don't care for smart metering but reiterated that it won't be forced on any customer.

Vice President Mital thanked everyone for their testimony. He reminded the audience that the Board has addressed smart metering quite extensively and that he believes that the opt-in approach they decided on is a reasonable compromise.

Commissioner Helgeson recalled that tonight's smart metering testimony is similar to what the Board has heard earlier. He echoed Vice President Mital's comments. He asked General Manager Gray for any additional comments.

General Manager Gray stated that staff is a long ways from establishing policies and procedures and that it won't happen this year. He also confirmed that the only work currently being done is pilot work (which does not include a smart meter but instead a time of use meter) and that there is no smart meter implementation scheduled for this year. He added that the opt-in was a major change in strategy and that customers are still asking to be put on or taken off the list.

Commissioner Helgeson stated that he is comfortable with continuing the present course.

Commissioner Simpson appreciated the smart metering testimony and echoed his colleagues' comments. He stated that the questions presented are very good ones but that he is not sure that the Board can answer them within the time frame demanded.

President Brown thanked everyone for their testimony.

## **CONSENT CALENDAR**

### **MINUTES**

1. a. February 4, 2014 Regular Session
1. b. February 4, 2014 Executive Session

### **RESOLUTIONS**

2. Resolution No. 1405 - Trustee Banking Resolution. Contact Person is Cathy Bloom.
3. Resolution No. 1406 -Time of Use Pilot Program Revision. Contact Person is Erin Erben.

## **CONTRACTS**

4. National Wood Treating Co. - Pole Inspection & Treatment Services to comply with Federal Regulatory Commission (FERC) requirements for quality and safety. \$585,000 (over five years), Electric Operations. Contact Person is Todd Simmons.

It was moved by Commissioner Simpson, seconded by Commissioner Manning, to approve the Consent Calendar. The motion passed unanimously (5-0).

## **IERP UPDATE**

Erin Erben, Strategic Planning Manager; Sybil Geiselman, Energy Resource Analyst; and Adam Rue, Energy Source Analyst, presented an Integrated Electric Resource Plan (IERP) update, reviewing the 2011 IERP recommendations, 2013 accomplishments, updated load and resource forecasts, and the next steps for 2014.

Commissioner Simpson wondered if EWEB should be concerned about the peaks and step-offs predicted in the next 15-20 years. Ms. Erben noted that EWEB's ability to take advantage of wholesale power markets will be the main focus. Ms. Geiselman added that Carmen-Smith is the only EWEB project that offers flexibility during a peak load period such as the recent snow/ice storm because it can be turned on and off quickly.

General Manager Gray noted some additional issues around the December 9, 2013 peak load day. He noted that wind and solar power would suppress market prices permanently but would also cause increased volatility.

Dave Churchman, Trading & Power Operations Manager, briefly explained the slice contract negotiation process.

Staff then addressed additional questions and comments from the Board.

## **PROPOSED 2014 STRATEGIC PLANNING**

Ms. Erben and General Manager Gray recommended that the Board approve the proposed strategic planning update and asked for recommendations on what the Board wished to achieve in their upcoming strategic planning workshops.

Commissioner Helgeson said his interest lies in whether the utility and Board are looking at the right things and doing the right things in relation to the environment, and that he believes the update is reflective of those things. He added that he is most interested in balancing the resource portfolio and a solution for the peaking issues. He voiced support for the update with further work to do on his above-mentioned issues.

Commissioner Simpson supported the need to be agile, adapt to and accept rapid change, and be skilled in that adaptation. He added that a "plain vanilla" tariff is probably necessary but

would end up being the most expensive one. He voiced support for the update and recalled that he has asked that the products EWEB provides be delivered to point of use, as that extra value is lost if that mantra isn't rehearsed and publicized.

President Brown, Vice President Mital and Commissioner Manning also voiced support.

General Manager Gray offered the option of choosing a couple of the Board's larger decisions along with the framework Ms. Erben described to work through at the May strategic planning workshop. The Board agreed.

It was moved by Commissioner Simpson, seconded by Vice President Mital, to accept the proposed 2014 strategic planning document as the final 2014 strategic planning document. The motion passed unanimously (5-0).

### **CORRESPONDENCE/AGENDAS**

General Manager Gray noted the sole correspondence item and reminded the Board about the upcoming May 20 and October 21 strategic planning sessions. He added that the decision regarding the annual upriver Board meeting (normally in September) would be made in the next several months.

President Brown wondered if the upriver gathering with elected officials is going to be held this year. General Manager Gray replied that he will begin planning for that.

Commissioner Simpson stated that he feels the need for another Board retreat for an opportunity to talk about governance processes and procedures and how business is conducted.

The Board agreed, with plans for a four-hour session, possibly in October, in place of the planned strategic planning session if it is not necessary. Commissioner Manning stated that he would like to see an agenda for that, and that the last retreat resulted in a very positive direction for the Board. Commissioner Simpson asked for inclusion of several cyclical review items that have yet to be identified.

Commissioner Helgeson asked if there has been any further activity regarding the City Council/EWEB joint meeting. Jeannine Parisi, Government and Community Affairs Coordinator, replied that she hasn't seen anything on the Council's calendar, but the last she heard it was tentatively planned for the end of April.

In reference to this evening's smart metering testimony, Commissioner Helgeson noted that he has not seen an agenda item on that subject. General Manager Gray replied that he will check in with Greg Armstead, Project Manager, and propose an agenda item in the next several months.

A brief discussion ensued regarding the nine questions that were submitted to the Board as part of that testimony.

President Brown adjourned the Regular Session at 7:25 p.m.

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Assistant Secretary

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President