

**EUGENE WATER & ELECTRIC BOARD
SPECIAL and REGULAR SESSIONS
EWEB BOARD ROOM
500 EAST 4TH AVENUE
January 10, 2017
5:30 P.M.**

Commissioners Present: Dick Helgeson, President; John Brown, Vice President; Sonya Carlson, Steve Mital, John Simpson (via telephone), Commissioners

Absent: None

Others Present: Suzanne Adkins, Principal Project Manager; Chuck Crockett, Deputy City Recorder, City of Eugene; Mel Damewood, Chief Engineering & Operations Officer; Frank Lawson, General Manager; Matt Schroettnig, EWEB Power Resources Counsel

SPECIAL SESSION

Vice President Helgeson convened the January 10, 2017 Special Session at 5:30 p.m.

Oath of Office for Sonya Carlson, Wards 6 & 7

Mr. Crockett swore Commissioner Carlson in to the EWEB Board of Directors.

Oath of Office for Richard Helgeson, Wards 2 & 3

Mr. Crockett swore Commissioner Helgeson in to the EWEB Board of Directors.

Oath of Office for Steve Mital, Wards 1 & 8

Mr. Crockett swore Commissioner Mital in to the EWEB Board of Directors.

REGULAR SESSION

Vice President Helgeson pointed out that President Simpson was at home ill, but was joining the meeting via telephone.

Agenda Check

There were no changes to the Agenda

Items from Board Members and General Manager

- Commissioner Mital said that he was excited to be working with Commissioner Carlson. He asked for and received Board consensus to look more closely at the recent windfall the City of Eugene received from Comcast, and how those funds might be used exclusively to maintain that right of way.
- Commissioner Brown said that he was highly impressed by the crews working to restore power during the ice storm; he thanked staff and crew members for their tireless dedication to the restoration effort.

- President Simpson said that he was sorry he could not be in attendance to witness the swearing in of EWEB Commissioners. He thanked the staff and crews for their work during the outage. Finally, he congratulated Commissioners Carlson, Helgeson, and Mital for their elections to the Board.
- Commissioner Carlson said she really looked forward to working with the EWEB Board of Commissioners
- Vice President Helgeson said he was impressed with staff and crews in restoring power after the ice storm.
- Mr. Lawson introduced EWEB's new Power Resources Counsel, Matt Schroettnig. He stated that he and staff met with FEMA earlier that day to go through EWEB's preliminary damage assessment. He said that the water side of the utility had also experienced many issues due to the cold weather, such as freezing pipes and main breaks; he was impressed with the reaction of the water side of the utility in dealing with these problems as they arose. Lastly, he announced that EWEB had sent three crews to assist power restoration efforts in northern California.

Public Input

Milo Mecham of Eugene, and of LCOG expressed gratitude to EWEB crews for not only dealing with the ice storm aftermath, but for the crews' constant preventative maintenance.

Mr. Mecham offered information concerning Resolution No. 1702 on the Consent Calendar, the three-way intergovernmental agreement (IGA) between EWEB, City of Eugene, and LCOG concerning funding for the Downtown Fiber Project. He stated that in order to secure funding from the U.S. Department of Commerce, Economic Development Administration (EDA), there would need to be an IGA between all governments involved; he added that he had drafted said agreement. He urged the Board to approve the IGA, and to adopt the resolution as well.

Commissioner Brown asked what would happen if they could not secure the EDA grant.

Commissioner Mital said he was in support of the IGA. He added that he did have some concerns, but that he would bring them up when it was appropriate to do so.

BOARD ACTION ITEMS

Approval of Consent Calendar MINUTES

1. December 6, 2016 Regular Session

RATIFICATION OF BOARD APPOINTED CONSULTANTS

2. Independent Auditor and Certified Public Accountant – Moss Adams

CONTRACTS

3. Christenson Electric, Inc. – for Electric Utility Line Work Crews \$500,000 (Resulting Cumulative Total \$915,000). Contact Person is Mel Damewood, 541-685-7145.

4. Wildish Construction – for Leaburg Canal Embankment Improvement Project \$99,657. Contact Person is Mel Damewood, 541-685-7145.

OTHER

5. 2017 Organizational Performance Dashboard, Contact Person is Frank Lawson, 541-685-7621.

RESOLUTIONS

6. Resolution No. 1701 – Annual Appointment of Supplemental Retirement Plan Committee, Contact Person is Sue Fahey, 541-685-7688.

7. Resolution No. 1702 – Downtown Fiber Joint Agreement, Contact Person is Mel Damewood, 541-685-7145.

Commissioner Mital wished to pull Item #7, Resolution #1702 - Downtown Fiber Joint Agreement, for discussion.

Commissioner Brown wished to pull Item #3, Christenson Electric, Inc., for discussion.

Commissioner Mital moved to approve the Consent Calendar without Items 3 and 7. The motion carried unanimously 5:0.

Items Removed from Consent Calendar

Commissioner Brown wondered if the \$500,000 mentioned in Item #3 was being spent to support other utilities.

Mr. Damewood clarified that the \$500k in question was used to compensate the crews from Christenson Electric Inc., who helped EWEB during the ice storm. He went further to say that EWEB had an existing contract with Christenson, and that contract was amended to include the emergency situation brought about by the ice storm. He concluded that EWEB was looking to FEMA for reimbursement.

Commissioner Brown moved to approve Item #3 on the Consent Calendar. The motion carried unanimously 5:0.

Commissioner Mital stated that although he supported Resolution No. 1702 as laid out in Item 7, he wished to remind the Board that there was an unresolved situation surrounding breaking up the cost of the last mile of fiber to accommodate those who might not need the entire mile. Commissioner Mital clarified that he did not want this item's inclusion in the Consent Calendar to be read as passive support for the

aforementioned situation concerning the last mile of fiber that has not yet been resolved.

Mr. Lawson offered that the fiber pricing discussion would be part of the overall strategic discussion slated for next month. He posited that one of the main questions from the Board's perspective, is whether to use a cost recovery model, or a competitive model.

Commissioner Mital moved to adopt Item #7 on the Consent Calendar. The motion carried unanimously 5:0.

2017 Election of Board Officers

Commissioner Brown moved to appoint Dick Helgeson to the position of President of the EWEB Board of Commissioners. The motion carried unanimously 5:0.

Vice President Helgeson accepted the appointment.

Commissioner Mital moved to appoint John Brown to the position of Vice President of the EWEB Board of Commissioners. The motion carried unanimously 5:0.

Commissioner Brown accepted the appointment.

2017 Appointment of Board Liaison Assignments & Committees

Lane Council of Governments (LCOG)

Vice President Brown moved to appoint John Simpson to the LCOG liaison position, with Sonya Carlson as an alternate. The motion carried unanimously 5:0.

Other Post Employment Benefits (OPEB)

Vice President Brown moved to appoint Steve Mital to the OPEB liaison position. The motion carried unanimously 5:0.

McKenzie Watershed Council

President Helgeson moved to appoint EWEB Staff to the McKenzie Watershed Council liaison position. The motion carried unanimously 5:0.

Northwest Public Power Association (NWPPA)

Commissioner Carlson moved to appoint Dick Helgeson to the NWPPA liaison position, with John Simpson as an alternate. The motion carried unanimously 5:0.

GENERAL BUSINESS ITEMS

Storm Restoration Efforts and Customer Feedback

Mr. Lawson offered the Board a report and Power Point presentation on EWEB's ice storm response.

Commissioner Carlson shared with the Board the following issues brought up by EWEB customers: Better communication - many customers expressed frustration with the swamped outage lines, and some expressed an interest in receiving email updates from EWEB. Feedback - many customers expressed frustration at the lack of feedback from EWEB. Those customers said that EWEB said they would get back in touch with them, but EWEB never did. Emergency services availability - some customers expressed a desire for EWEB to communicate to them any emergency services that may be available to them while out of power.

Commissioner Carlson expressed an interest in more information about tree removal.

Commissioner Simpson stated that from the customers he had talked to, one of the main concerns was they felt they needed reassurance from EWEB that the utility knew they were without power. He said that EWEB would benefit from a call-out service which would let customers know EWEB knows about their power outage, and added the idea of updating EWEB's website with outage and restoration information every three hours instead of only once a day.

Vice President Brown suggested a mailing that would let customers know relevant phone numbers, etc. that can be called in the event of an outage. He added that he heard a lot of customer feedback surrounding customers receiving inconsistent information from the utility concerning the outage.

Commissioner Mital posited that most of the customers would feel better with data such as outage maps. He also said many customers he spoke with had questions about preventative maintenance tree trimming. He wondered if EWEB should take a look at the current tree trimming policy, and perhaps make changes to it.

President Helgeson stated that he felt like the effort surrounding post-storm restoration for this storm had been better than in the past, namely the Outage Line and Outage Map.

Commissioner Carlson said she would like to see data that has not yet been summarized as part of the outage and restoration report. She also opined that the ice storm could be looked at like a test of EWEB's emergency preparedness system(s), in preparation for a larger, more catastrophic event, such as an earthquake.

Commissioner Simpson wondered how much lost retail revenue was attributable to the ice storm.

Mr. Lawson said that lost retail revenue had not yet be calculated, but it would be in the final report.

Commissioner Simpson also asked what reserves would be drawn on to fund expenses not covered by FEMA.

Mr. Lawson replied that EWEB usually keeps approximately \$2 million in reserves for situations such as this one, and depending on the FEMA contribution, the cost to the reserves could be absorbed.

Commissioner Simpson stated that setting up an FM radio station, or perhaps an agreement with an existing station to broadcast continuous status updates every three hours, would be a great way to disseminate outage and restoration information to EWEB customers.

Vice President Brown asked if EWEB had Advanced Metering Infrastructure (AMI) implemented, how would it have affected the utility's response.

Mr. Lawson said AMI would have helped to improve EWEB's response times.

Consolidation of Operations Feasibility Analysis

Ms. Adkins offered the Board a report and Power Point presentation on the consolidation of operations feasibility analysis.

Vice President Brown asked for clarification on the lease agreement between EWEB and Electrical Geodesics, Inc. (EGI).

Mr. Lawson offered that there was a meeting scheduled with EGI in the upcoming weeks, and that he would have more information at that time.

Vice President Brown asked why EWEB would consider getting rid of the wetlands at the ROC, after paying exorbitant amounts of money to protect and maintain them.

Mr. Lawson replied that there were no plans to get rid of the wetlands, except a small area to accommodate expanded parking, but EWEB had already received permission for that expansion.

Commissioner Mital expressed support for Scenario #2

Commissioner Simpson also expressed support for Scenario #2

Commissioner Carlson posited that including Net Cash Info in the graph on slide 7 might be confusing for the public. She added that after examining travel costs for employees, she found a significant inefficiency.

Commissioner Simpson stated that although he does support full consolidation of the two locations, he would like EWEB to keep a small storefront downtown.

Commissioner Carlson expressed interest in taking a look at customer foot traffic data.

Commissioner Mital said that he would also like to see data on foot traffic at the downtown location.

Commissioner Simpson exited the meeting at 7:25 p.m.

Correspondence & Board Agendas

Mr. Lawson announced that there were two correspondence items: the Veneta contract, and workforce planning.

Commissioner Carlson wondered about the Veneta contract falling from 8 million gallons a month to six million gallons.

Mr. Damewood explained that before EWEB began serving Veneta with wholesale power, it was EWEB's belief that additional operational work would be required to maintain water quality in EWEB's system. He added that in 2014, Veneta sent EWEB a letter stating that they would use 6 million gallons a month, and EWEB set the Cost of Service Allocation (COSA) at that amount.

Board Wrap Up

Vice President Brown wondered if there was a way the Board could be better informed concerning EWEB donations.

Mr. Lawson replied that information would be included in the annual report, but he saw no reason that information couldn't be disseminated with higher frequency.

Mr. Lawson reported that there were 250 - 300 responses to EWEB's storm survey.

Adjournment

President Helgeson adjourned the Regular Session at 7:40 p.m.

Assistant Secretary

President