

**EUGENE WATER & ELECTRIC BOARD  
REGULAR SESSION  
EWEB BOARD ROOM  
500 EAST 4TH AVENUE  
August 1, 2017  
5:30 P.M.**

**Commissioners Present:** Dick Helgeson, President; John Brown, Vice President; Sonya Carlson, Steve Mital, John Simpson, Commissioners

**Absent:** None

**Others Present:** Matt Barton, Information Services Manager; Greg Brownell, Portfolio Management Supervisor; Mel Damewood, Chief Water Engineering & Operations Officer; Sue Fahey, Chief Financial Officer; Rene Gonzalez, Customer Operations Manager; Frank Lawson, General Manager; Mike McCann, Interim Chief Energy Officer, Wally McCullough, Water Engineering Supervisor; Kris Moe, Project Manager; Dan Morehouse, Customer Solutions Supervisor; Jeannine Parisi, Government Affairs Coordinator

President Helgeson called the Regular Session to order at 5:30 p.m.

**Agenda Check**

There were no changes to the Agenda

**Items from Board Members and General Manager**

- Commissioner Simpson said that the hot weather should bring good water sales. He also reported that he recently witnessed the installation of ductile iron pipe.
- Vice President Brown said that he was pleased that EWEB was doing a temperature study on the McKenzie River.
- President Helgeson posited that it would be a good idea for the Board to consider phasing out inverted water rates.
- Mr. Lawson reported that staff was looking for a Board volunteer to help put together a Request for Proposal (RFP) for general legal counsel. He said that the utility was preparing for the upcoming solar eclipse.

Commissioner Mital offered to volunteer to help with the RFP.

**Public Input**

**Will Rutherford** of Vida opined that EWEB would be able to get positive exposure upriver by installing signage on a current construction project in the area.

Commissioner Simpson, Vice President Brown, and President Helgeson agreed with Mr. Rutherford.

**BOARD ACTION ITEMS**  
**Approval of Consent Calendar**

**MINUTES**

**1. July 11, 2017 Regular Session**

**CONTRACTS**

- 2. Authorize General Manager to approve contract after completion of a competitive process** - for Carmen Power Tunnel Repairs Project. Not to Exceed \$150,000. Contact Person is Mike McCann 541-685-7379
- 3. Dell Marketing** - for the Use of Two Cooperative Contracts for Computer Hardware, Software, and Support. \$1,200,000 (over 3 years). Contact Person is Matt Barton 541-685-7109
- 4. Manzo, Inc.** - for Implementation Services for an Integrated Software as a Service (SaaS) Human Capital Management Services (HCMS) solution. \$483,690 (\$943,690 resulting cumulative total). Contact Person is Lena Kostopulos 541-685-7466
- 5. Retail Lockbox, Inc. in partnership with Bank of the Cascades** - for Lockbox Services (check payment processing). \$450,000 (over 5 years). Contact Person is Sue Fahey 541-685-7688
- 6. US Bank, NA - for Treasury and Depository Services. \$420,000 (over 5 years).** Contact Person is Sue Fahey 541-685-7688

**RESOLUTIONS**

- 7. Resolution No. 1706** - Update to EWEB Public Contracting Rule 2-0150 and Board Policy EL2, Purchasing Controls. Contact Person is Sue Fahey 541-685-7688
- 8. Resolution No. 1716** - Declaring Surplus Harvest Wind. Contact Person is Mike McCann 541-685-7379
- 9. Resolution No. 1719** - Declaring Surplus Foote Creek I. Contact Person is Mike McCann 541-685-7379
- 10. Resolution No. 1722**- Oregon Depository Accounts. Contact Person is Sue Fahey 541-685-7688

***Vice President Brown moved to approve the Consent Calendar. The motion carried unanimously 5:0.***

Commissioner Mital thanked Ms. Fahey for working to resolve issues that he had with Resolution 1706. He also wondered how long ago since Resolution 1716 had been a topic of conversation within the utility.

Mr. Lawson replied that there had not been a lot of discussion thus far, but staff was looking at options for surplus wind energy.

Commissioner Simpson said that he was caught off guard by surpluses being included in the Consent Calendar.

### **Items Removed from Consent Calendar**

None

### **2018 Customer Generation Prices**

Mr. Brownell and Mr. McCann offered the Board a report and Power Point presentation on 2018 Customer Generation Prices.

### **Strategic Plan Update**

Mr. Lawson offered the Board an update on the Strategic Plan.

***Commissioner Mital moved to approve the Strategic Plan. The motion carried unanimously 5:0.***

## **GENERAL BUSINESS ITEMS**

### **Customer Information System Replacement Project Update**

Mr. Barton, Mr. Gonzalez, Ms. Fahey, and Mr. Moe offered the Board an update on the Customer Information System (CIS) Replacement Project.

Commissioner Simpson inquired how intricate Software as a Service (SaaS) was.

Mr. Barton responded that SaaS could be very intricate. He also said that in the realm of CIS, there was not a lot of SaaS offerings.

Commissioner Simpson asked if it was the intention of the Information Services department to absorb the Work Asset Management system (WAM) into a new application.

Mr. Barton said that they planned to absorb the WAM system into a new application during the course of the 10-year IS strategic plan.

Commissioner Simpson asked if the CIS project was on schedule.

Mr. Barton said, although they had met with delays, the project was on schedule.

Vice President Brown asked why EWEB was spending \$15 million on the CIS project.

Mr. Barton said that he considered CIS one of EWEB's most critical systems, and that by replacing the current system, the utility can avoid system failures, and enjoy more stringent cyber security.

Commissioner Mital asked what kind of cyber security reviews were performed as part of this update.

Mr. Barton responded that he had much less concerns with security of the new platform, as opposed to the old platform.

Commissioner Mital wondered what would happen if EWEB was not satisfied with the new CIS.

Ms. Fahey said that EWEB had contracted with a company whose specialty is CIS, and she felt comfortable with the relationship with said company so far.

Commissioner Mital asked how the \$11 million would be paid out.

Ms. Fahey responded that EWEB would pay the company upon receipt of certain deliverables.

Commissioner Simpson asked if the new CIS involved bill presentment and printing.

Mr. Barton said that currently, it did not.

Commissioner Mital wondered why this update is taking so long.

Mr. Moe replied that the project was large and complex, and could take a long time to implement.

Commissioner Carlson wondered what the expected lifespan, and operational costs of the CIS update would be.

Mr. Barton replied he expected the system to last at least 10 years. He said the Information Services Department would update the Board prior to the September meeting as to the operating costs of the new CIS.

### **Public Hearing on 2018 Customer Generation Prices**

President Helgeson opened the Public Hearing at 6:44 p.m., and seeing no one who wished to speak, closed the Public Hearing at 6:45

**Resolution No 1720, 2018 Customer Generation Prices: Action**  
***Commissioner Simpson moved to approve Resolution No. 1720. The motion carried unanimously 5:0.***

## **Break**

President Helgeson called for a break at 6:55 p.m. He reconvened the meeting at 7:08 p.m.

## **Water Reliability Initiative**

Mr. Damewood and Mr. McCullough offered the Board a report and Power Point presentation on the Water Reliability Initiative. The report and presentation culminated in the following questions for the Board:

1. Does the Board want staff to pursue both permanent and mobile water distribution sites for up to \$1.0 million/year over the next 5 years?
2. Does the Board want staff to defer the building of a second source to pursue regional solutions and partnerships, and re-evaluate the timing of construction of the Willamette Treatment Plant to be no later than 2030?

Vice President Brown pointed out that there were many wells not included in this report. He also pointed out that wellhead protection should be employed to prevent hazardous substances from getting into the wells. Vice President Brown answered yes to both questions numbered 1 and 2 above.

Commissioner Simpson stated that he would like to see as many as eight trailers parked north of the river, or readily available to be airlifted there. He wondered how ready the Water side of the utility was to shift into an Incident Command System (ICS) scenario in the event of a Cascadia Subduction Zone (CSZ) earthquake. Commissioner Simpson answered yes to both questions numbered 1 and 2 above.

Commissioner Carlson asked if the mobile water sites would be dispersing water from the system, or a nearby body of water such as a river.

Mr. McCullough answered that both would be possible.

Commissioner Carlson stressed the importance of looking at wastewater issues as well, and partnering with the entities that provide those services to do so.

Commissioner Mital echoed Vice President Brown's sentiment of looking for as many wells as possible, and taking a complete inventory of them. He said that he was not strongly in favor of the mobile water distribution units as laid out in Question 1 to the Board, but was in favor of Question 2.

President Helgeson called for a broader approach to a possible disaster that included the entirety of the utility and its partners.

Commissioner Mital advocated for the focus to be shifted to permanent sites, as per Question 1 above.

Mr. Lawson said that a site dubbed a "distribution site," does not always equate to mobile. He added that this sort of planning would enter the utility into regional partnerships with schools, industrial suppliers, golf courses, etc.

President Helgeson stated that he believed Question 1 had priority over Question 2.

### **2017 Second Quarter Operating Dashboard**

Mr. Lawson offered the Board an update on the 2017 Second Quarter Operating Dashboard.

Commissioner Carlson asked what the Weyerhaeuser land purchase was for.

Mr. Lawson responded that part of the purchase was for upgrades and expansion to an adjacent substation, and also the land was purchased to strengthen the integrity of source protection.

### **Correspondence and Board Agendas**

Commissioner Simpson asked for a briefing on the Electric Pricing Redesign Committee.

Ms. Parisi said the Committee had a recommendation ready, and they were planning an open house at the end of September.

Mr. Mital posited that in the past, he did not feel the Board had enough time to thoroughly look at a Pricing Redesign.

President Helgeson said he would rather the Board not make any decisions as per Redesign this year.

Vice President Brown stated that although he would not be at the September meeting, he was not in support of the timing of the Consent Calendar item giving the City of Eugene 3 acres of land.

### **Board Wrap Up**

President Helgeson wondered if EWEB needed to balance some of its core principles with all the other things the utility does and offers.

### **Adjournment**

President Helgeson adjourned the Regular Session at 8:24 p.m.

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Assistant Secretary

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President