

**EUGENE WATER & ELECTRIC BOARD  
REGULAR SESSION  
November 2, 2020  
5:45 P.M.**

*Commissioners may pose questions to staff prior to the scheduled board meeting. To view Commissioners' pre-meeting questions and staff responses, visit <http://www.eweb.org/about-us/board-of-commissioners/2020board-agendas-and-minutes>.*

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

**Others Present:** Frank Lawson, General Manager; Susan Ackerman, Chief Energy Officer; Megan Capper, Power Planning Supervisor; Sarah Gorseger, Purchasing and Warehouse Supervisor; Deborah Hart, Chief Financial Officer; Rod Price, Chief Engineering & Operations Officer; Adam Rue, Fiscal Services Supervisor

President Mital called the Regular Session to order at 5:45 p.m.

**Agenda Check**

There were no changes or additions to the agenda.

**Items from Board Members & General Manager**

Vice President Schlossberg reported that she, President Mital, and Mr. Lawson met with officials from the City of Eugene for their scheduled quarterly meeting.

Commissioner Carlson offered she recently traveled up the McKenzie River, and saw firsthand the extensive damage from the recent wildfire. She said she was thankful the EWEB Board of Commissioners took action last month to clean the area up, and secure the safety of EWEB's drinking water supply.

Commissioner Helgeson said, although he had some reservations surrounding voting to support the upriver cleanup efforts, he too was thankful the Board approved the efforts, and he felt like it was the right decision. He said he had recently walked the Elliot site with some community members from that area, and he was looking forward to said community members speaking during the Public Input agenda item. Lastly, Commissioner Helgeson announced a teleconference meeting of the Northwest Public Power Administration (NWPPA) Board on November 18, 2020, at which that Board would be discussing budgetary issues.

President Mital thanked EWEB staff—especially Water Quality Supervisor Karl Morgenstern—for the cleanup efforts going on up the McKenzie. He Also said he had recently had a call with Springfield Utility Board President John DeWenter, during which the two Presidents discussed the possibility of future joint source water protection work;

President DeWenter was in the process of drafting a Resolution which both Boards could possibly sign in December.

Commissioner Brown reported the Governor had appointed a Wildfire Economic Recovery Council (WERC), and while the upriver community was appreciative of the quality of people appointed to that body, it was noticed that no one on WERC was a member of the upriver community itself. He said it would be a good idea to have at least one upriver community member on that Council.

Mr. Lawson said he had a call later in the week with the Governor's Office, and during the call he would inquire about opportunities for upriver community members to sit on the WERC.

### **Public Input**

**Sandra Bishop**, of Eugene, addressed the Board concerning the Hilyard reservoir project. She asked that the Board members take a more direct role in the siting decisions being made at the project. Ms. Bishop expressed concern at EWEB's intention to clear 10-12 acres of fir and pine woodland to make room for the first and second reservoir at the project, and she urged the Board to seek alternatives to clearing the woodland for the project.

**James Porter**, of Eugene, asked EWEB staff to consider alternatives to siting some of the water storage at the Hilyard project. He said the middle of the property would be a much more environmentally healthy location for one of the reservoirs. Mr. Porter urged the Board to seek alternative siting, to prevent the cutting down of very old trees which have existed on the property for decades.

**Joe Harwood on behalf of Will Rutherford** of Vida, wished to personally thank EWEB for their response to the Holiday Farm fire. He listed the following accommodations made by EWEB during their fire response as being especially deserving of gratitude.

- Deferring discussion on rate adjustments
- The waiving of temporary meter fees
- Site assessment for hazard trees
- Assistance with hazardous waste cleanup and mitigation

**Joe Harwood on behalf of Christopher Jones** of Eugene, addressed the Board and General Manager about the revised Phase 1 Electrification Study. He mentioned Eugene's Climate Action Plan (CAP), which calls for a 50% reduction in fossil fuel consumption by 2030. Mr. Jones asserted the scenarios being considered to reach this goal were simply not aggressive enough; he opined the baseline scenario should include: a 100% replacement of fossil gas heating equipment, and an exponential path to 100% electric vehicles (EVs) in Eugene by 2050. Finally, Mr. Jones hoped Phase 2 of the study included a baseline scenario which conformed with Eugene's CAP, and with the best available scientific recommendations.

**Stephen Anderson**, of Eugene, addressed the Board concerning the Hilyard reservoir project. He asserted the EWEB Board should get more involved in the siting of the project as to protect the old growth woodland on the property. Mr. Anderson said the habitat was home to several species of birds and other wildlife, including a nesting pair of the locally-rare Pileated Woodpecker.

Commissioner Brown offered that he understood the concerns of the Hilyard community concerning the siting of the Hilyard reservoir project, and he said, in the end, EWEB would do what was right for the community and the environment.

Commissioner Brown wondered if it would be a good idea for Board leadership, or Mr. Lawson, to draft a letter or an op-ed piece detailing to the community EWEB's role and work in the Holiday Farm Fire cleanup.

Commissioner Helgeson said he hoped EWEB staff and contractors would come before the Board before and during each stage of construction on the Hilyard reservoir project, but he had confidence in the people doing the work. He appreciated the Hilyard community members offering testimony on the subject.

## **Approval of Consent Calendar - A MINUTES AND ROUTINE CONTRACTS**

### **MINUTES**

#### **1. October 6, 2020 Regular Session Minutes**

### **CONTRACTS**

**2. Oregon Woods, Habitat Contracting, and Integrated Resource Management** - for additional funds for vegetation management services. \$300,000 (between three contracts). Resulting cumulative total \$700,000.

**3. Pacific Excavation** - for a water main replacement on W. 36th Avenue in Eugene. \$345,000.

### **INTERGOVERNMENTAL AGREEMENTS**

**4. Lane Council of Governments (LCOG)** - for data analysis support for drinking water programs. \$177,451 (\$92,951 + \$4,500 + \$80,000) Resulting cumulative total \$177,451 through December 2020.

***Commissioner Brown moved to approve Consent Calendar – A. The motion passed unanimously 5:0.***

## **Approval of Consent Calendar – B NON-ROUTINE CONTRACTS AND OTHER CONSENT ITEMS**

### **CONTRACTS**

**5. Aramark** - for the use of a cooperative contract for linen and laundry services. \$66,000 for 2020 to 2024. Resulting cumulative total \$247,000 for 2015 to 2024.

**6. Cascade Pacific Resource Conservation & Development (CPRCD)** - for an increase in the amount of the 5-year Master Services Agreement for fiscal management of the Pure Water Partners (PWP) Program. \$232,000 (Resulting cumulative total \$92,000 for fiscal management of \$840,000 expected spend in the PWP program.

**7. Link Oregon-** for internet services. \$225,000 (estimate \$45,000 per year over five years).

**8. Sensus USA Inc.** - for additional funds for meter installation services as part of our Advanced Metering Infrastructure (AMI) Implementation Project. \$2.6 million (Resulting cumulative total \$23.1 million).

#### **INTERGOVERNMENTAL AGREEMENTS**

**9. City of Eugene** - for collection of City stormwater and wastewater service charges. The initial rate upon execution of this contract will be \$1.62 per billing. This cost will be adjusted annually based on the West Class A CPI as of the prior April, with changes taking effect in July. (While the number of bills with City charges fluctuates monthly, it is estimated that EWEB will receive about \$1.15 M in 2021, with CPI adjustments automatically applied each year.)

#### **RESOLUTIONS**

**10. Resolution No. 2025** - New Board Policy SD4, Property Use Policy and updates to SD5, Public Plaza and Lloyd Knox Park Use Policy.

**11. Resolution No. 2026** - 2020 Revised and 2021 Trojan Budgets.

#### **OTHER**

**12. 2020 Natural Hazard Mitigation Plan Update**

***Commissioner Brown moved to approve Consent Calendar – B without items 8 and 9. The motion passed unanimously 5:0.***

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

Commissioner Brown pulled item 8, Sensus USA Inc. He wondered if the contractors EWEB planned on using for this work were local contractors.

Ms. Gorsegner said Sensus would bring in experts to provide training and management of the program, but the technicians hired to perform the majority of the actual labor of the project would be local.

President Mital wondered if EWEB was in a rush to sign the contract with Sensus USA laid out in item 8. He wondered if the vote to approve it could be delayed while more information was gathered.

Mr. Price said signing could be delayed, but once signed, there was a two-month ramp-up window for contractors to get started on the work. He added the \$2.6 million

mentioned in the consent calendar item would net out to be a small budget increase. Mr. Price assured the Board that staff would have updated financial analysis on the AMI project before the end of the year.

***Commissioner Carlson moved to approve Consent Calendar – B, Item 8. The motion passed unanimously 5:0.***

Commissioner Carlson pulled item 9, City of Eugene Intergovernmental Agreement. She wondered if the utility would be able to revisit the rate charged to the City of Eugene for collection of their stormwater charges.

Mr. Lawson said EWEB wrote into the contract a midterm adjustment period, which would allow the utility to renegotiate the price if they needed to.

President Mital asked if any Low-Income Heating and Energy Assistance Program (LIHEAP) funds might be used to mitigate the effects of the stormwater fees on low-income ratepayers.

Mr. Lawson replied no, LIHEAP funds were very specific in their usage, and only applied to the electric side of the utility.

Commissioner Helgeson asked if there were any more provisions in the intergovernmental agreement with City of Eugene concerning stormwater collection fees, that would allow the City to add any more line items to EWEB bills.

Mr. Lawson said there were not.

***Commissioner Carlson moved to approve Consent Calendar – B, Item 9. The motion passed unanimously.***

### **2021 Proposed Budgets and Prices - Update**

Mr. Lawson, Ms. Hart, et al. Offered the Board an update and PowerPoint presentation on 2021 Proposed Budgets and Prices.

### **Public Hearing on 2021 Proposed Budgets and Prices**

President Mital opened the Public Hearing on 2021 Proposed Budgets and Prices at 7:08 p.m.

There were no members of the public wishing to speak on 2021 Budgets and Prices.

President Mital closed the Public Hearing on 2021 Proposed Budgets and Prices at 7:09 p.m.

### **2021 Proposed Budgets and Prices – Direction**

Commissioner Carlson wondered, in regards to the multi-year rate proposal, would the Board be responsible for (or able to) vote on a three-year plan, she expressed

confusion over the fact that in three years, the Board will be made up of different members.

Mr. Lawson explained there was an annual requirement that the Board approve budgets and prices annually. He said the three-year plan was specific to developing an in-depth Cost of Service Analysis (COSA) which would provide the Board and EWEB staff with direction for three years into the future.

Commissioner Helgeson asked how it was equitable for EWEB to eliminate reactive power factors.

Mr. Rue replied the order of magnitude of any losses EWEB might occur by eliminating power factors was minor compared to the administrative impact of them.

Commissioner Brown asked if watershed restoration work could be part of rates, or if it would have to be a type of surcharge on monthly bills.

Mr. Lawson said EWEB was differentiating watershed restoration from watershed *preservation*. He said that in the first quarter of next year, staff would bring a Watershed Restoration Plan before the Board, including budgetary impacts through the next few years. Mr. Lawson said it was possible to generate the income needed through rates, but it was typically easier to use a surcharge because it is easier to remove the surcharge when it is no longer needed.

Vice President Schlossberg asked about the new McKenzie Valley Customer Class. She was curious what would happen if EWEB decided not to make that class official this year.

Mr. Lawson admitted there would be no great impact if the utility waited until next year to create this class, but he said, EWEB had been discussing the McKenzie Valley Customer Class for approximately a year-and-a-half.

President Mital congratulated Ms. Hart on her first solo budget as EWEB's Chief Financial Officer.

Commissioner Carlson wondered, if the McKenzie Valley Customer Class were created, would there be a COSA done for that specific class each year.

Mr. Lawson said yes.

***Commissioner Brown moved to extend this agenda item by 10 minutes. The motion passed unanimously 5:0.***

***Commissioner Helgeson moved to defer the implementation of a separate rate class (McKenzie Valley Customer Class). The motion passed 4:1, with only President Mital voting against.***

## **Break**

President Mital called for a five-minute break at 7:37 p.m. The meeting resumed at 7:42 p.m.

## **Results from Phase 1 of the Electrification Impact Analysis Report**

Ms. Ackerman and Ms. Capper offered the Board a report and PowerPoint presentation on the results from the Phase 1 Electrification Impact Analysis Report.

Commissioner Brown pointed out Mr. Lawson had previously said that in the next four to five years, the EWEB service area was likely to begin experiencing brownouts due to decommissioning of fossil generators in the region. He wondered if that was still a true statement.

Ms. Ackerman said there was not a very high probability of brownouts in the next few years, but the utility would be entering a risky planning environment.

Mr. Lawson offered there is some risk that we would have to take action as a region on the load side, either shedding load voluntarily, pricing action, other things. However, that is part of the Resource Adequacy Program which is a separate effort.

## **Quarterly Strategic and Operational Report for Q3 2020**

Mr. Lawson offered the Board a quarterly strategic and operational report for Q3 2020, with accompanying PowerPoint presentation.

Commissioner Brown asked what the nearly \$250,000 in community investment dollars going to local schools were for, if, because of COVID 19, schools were not actually open and operating normally.

Mr. Lawson said he would have to follow up offline and get back to Commissioner Brown on that question.

## **Correspondence & Board Agendas**

Mr. Lawson offered the Board a report on correspondence and Board agendas.

## **Board Wrap-Up**

Commissioner Carlson wondered if the swearing-in ceremonies set to take place in January, would be able to be carried out virtually.

Mr. Lawson said he was not sure.

Commissioner Brown said he would like to see an AMI conversation on an upcoming agenda. He also posited it would be a good idea to begin scheduling for an EWEB Commissioner/Staff float on the McKenzie now.

President Mital adjourned the meeting at 8:45 p.m.

*Recorded by Rodney Cimburke*

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Assistant Secretary

President