

EMERALD PEOPLE'S UTILITY DISTRICT

Board of Directors' Meeting

November 1, 2004

Minutes

- Convene President Schacht convened the meeting at 12:00 noon at the Emerald office, 33733 Seavey Loop Road in Eugene.
- Attendance Directors: Patti Chappel (by telephone), Bruce Pilling, Katherine Schacht, and Bill Tanner. Richard Eymann was absent.
Staff: Jenny Grant, Coy Kratz, Frank Lambe, Bob Mieger, Jim Theabolt, Alan Zelenka, and Beth Matthews.
Guests: None.
- Statements From the Public None.
- Staff Comments Zelenka said he would be attending the November 4 PPC meeting and said he would appreciate any feedback from the Board on the Salmon Strategy prior to the meeting. There was additional discussion on this later in the meeting.
- Board Reports Pilling noted that he had attended the Board lunch meeting and the two evening Board meetings in October. He said he attended the PPC meeting on October 6 and 7. Pilling attended the Willowcreek Wetlands event in Eugene on October 12, at which Steve Wright was in attendance. Pilling also attended the OPUDA meeting in St. Helens on October 21 and 22.
- Chappel said she had also attended the three October Board meetings, the October PPC meeting, and the Willowcreek Wetlands event. Chappel said she enjoyed the Willowcreek Wetlands event which was attended by members of the Army Corps of Engineers, the Nature Conservancy, and BPA—to name a few—as well as “fly-by’s” by a variety of birds native to the area. Although she was not able to attend the OPUDA meeting in October, she said she was pleased that Don Goddard had been hired by OPUDA. Chappel said will discuss the Veneta light parade during the scheduled agenda item.
- Tanner said he did not attend the October PPC meeting. He said that if Emerald were to withdraw their memberships to all organizations, the one membership to keep would be to the PPC. Tanner attended the OPUDA meeting and was glad to see Don Goddard hired. Tanner said he has started receiving the “Solar Today” publication and said he enjoys the articles. He also briefly discussed election signs.
- Schacht attended the three October Board meetings and the Finance Committee meeting. On October 6, she met with Steve Wright regarding Slice. She said she feels it’s important to continue to work on the relationship Emerald has with BPA to keep it positive. Schacht attended the dedication at Blachly-Lane this morning for the transmission line upgrade. Lambe noted that he had met with Paul Holvey, who is running for office in the Veneta area, at Blachly-Lane. Lambe spoke briefly about the possible effects the line would have for the Halsey plants. Kratz said that the 115 Kv line was rebuilt and had already been in place

previously, but bigger wire was put in with more capability. He said the line was originally built in 1939. Lambe asked if the Board wanted more information this, but they said they felt they had sufficient information and did not need any additional. Schacht noted that Bud Tracy has signed an agreement to stay on one more year as the AIC General Manager at Blachly-Lane.

Schacht attended the October PPC meeting. Among the issues discussed was the salmon strategy, which Zelenka will address later in the agenda. Schacht said she would be attending the NWECA Annual Fall Conference this coming weekend. She said NWECA is changing their logo to four icons and said there will be a lot of discussion around the Bi-Op. She said that agencies had been signing a petition against the Bi-Op. Schacht said that BPA is interested in working on regional dialog with NWECA. Schacht attended the OPUDA fall conference. She said she was glad Don Goddard was selected for the director's position and hopes that he can direct the group well, considering all the varying opinions around hard issues. She said that his talents will surely be put to the test.

Schacht said she had testified at the Northwest Power and Conservation Council Conference, at which there only four testimonies total. She distributed two documents in relation to Draft Fifth Pacific Northwest Electric Power and Conservation Plan. Schacht said the Emerald Finance Committee meeting was calm and well-structured.

APPA Legislative Rally

Lambe said that OPUDA representatives will be attending the APPA Legislative Rally February 8-11, 2005 in Washington, DC. He said he had sent an e-mail to Board members to inquire about their interest in attending. Chappel said she plans to attend; Pilling and Schacht said they might attend but did not know at this time; Tanner said he would not be attending. Lambe reminded Board members that they need to make their own reservations for PPC and other meetings as well.

Veneta Parade

Chappel mentioned that the Veneta Parade of Lights would be held on Thursday, December 2. She asked if Emerald might provide any financial support as they do with the other parades held in Junction City, Harrisburg, and Coburg. Mieger said that a total of \$500 has been contributed by Emerald for these three parades in the past. Chappel asked is Emerald would be willing to split the \$500 four ways rather than three. Schacht asked staff to provide a recommendation on this request at the next Board meeting.

Board Retreat

Schacht said she thinks it is a good thing for the Board to get away for a day or two to discuss the state of the utility and finance issues in order to provide good policy. Lambe said it would be a forward planning meeting to review the policy manual and to address any issues, being selective about the discussion items to allow enough time. Chappel said she felt it would be good to spend a day in a different atmosphere and this would be reasonable to do. Pilling wondered if the meeting should be held somewhere other than Emerald—or not—in light of the need to conserve money. He said he could visualize spending a day or two with senior staff to talk about strategic planning. Schacht also noted that there might be at least one new Board member in January and it would be helpful to have an

orientation. Tanner agreed that it would be helpful to review Board procedures and include a new Board member in the discussion on strategic planning. The Board concurred that it would be appropriate for staff to attend, as appropriate, if the meeting was to be held at the Emerald facility and they could come and go, if necessary. A January date was suggested and it was agreed that the Emerald district offices would be an appropriate location. After a bit of discussion, the Board agreed that it would be better to meet in November instead, and settled on Tuesday, November 30 from 9:30 am–3:15 pm for the Board Retreat. Schacht asked for staff comments. Theabolt indicated that it would be good to look at long-range planning in the budget and the Board Retreat would occur prior to adopting the 2005 budget. Schacht asked Board members to determine what they would like to get from the strategic planning meeting.

Rate Committee
Membership

Lambe discussed the status of Rate Committee membership with the Board. He said that industrial representative, Alan Meyer, has suggested Bruce Wittman as a replacement for him. Lambe said that Russ Woolcott, Dan Smith, and Jerry Fritz are no longer available to serve on the Rate Committee. He reminded the Board that each Director is allowed two committee members from their district and then there is one from each of five separate sectors.

Motion

Tanner/Pilling moved to approve Bruce Wittman as a replacement for Alan Meyer and Nancy Schwoerer as a Rate Committee member from Tanner's district.

Vote

Unanimously approved.

Schacht and Chappel will contact school representatives in their districts for additional membership. Pilling said he would attempt to find a replacement for Russ Woolcott.

The Rate Committee and Finance Committee will meet on Thursday, November 4 beginning at 5:30 pm in the District offices.

Dave Bouchard -
NWPPA

Schacht introduced the Board and staff to Bouchard and thanked him for attending. He said he is currently the Member Relations Manager at NWPPA, working part time. He recently retired from Forest Grove Power as the General Manager. He said he previously worked at Portland General Electric and served six years on the PPC Board—during 1996-2002. As the Member Relations Manager, Bouchard solicits and signs up new members, interacts with existing members, and learns what NWPPA can do for members.

Bouchard said that public power has benefited from trade associations and that NWPPA has 200 utility members in 10 states and Canada. He said that many members are small utilities who join the association to get connected to other services. He said that NWPPA makes information services available and focus on industry topics. He spoke about revenue sources from NWPPA and upcoming initiatives. He said there will be symposium in March in Portland around the RTO issues on a regional basis. He also said they will be rolling out an on-line e-bulletin to member systems at the first of the year, which will be updated weekly.

He said their training department is focusing on issues such as attrition in the utility business and a recruitment tool to assist in target hiring. Tanner said there will be at least one new Board member in January who will be sent to the NWPPA training. Schacht asked about staff and line training and how frequently advanced technology training is upgraded. Bouchard said he is still new to the organization and its workings are still new to him. However, he said there are new products available but it is a mature industry without a lot of new technology. He said that information management is the biggest area for new technology. Kratz said that techniques may change and then instruction changes accordingly. He gave an example of underground detection fault locating having been improved tremendously.

Pilling is the Emerald representative appointed to the NWPPA. Grant is on a steering committee for salary/benefit surveys. Pilling said that from a regional standpoint, NWPPA has been good and done a good job for public power. Bouchard thanked the Board for the invitation to visit.

PPC Salmon
Recovery

Zelenka distributed information on the re-write of the salmon strategy, an action item before the Public Power Council Executive Committee. Zelenka said that Emerald has tried to get the two sides to come together on the issue and the document is working on development of the message. This would mean a \$7,000-\$8,000 increase for Emerald. He said the numbers are cyclical depending on the ocean's cycle. He said a fish chart appears on page two of the document. Zelenka said that neither side is being very sympathetic to the other and are very polarized. He said that both sides seem frustrated with the attempt to find middle ground and discuss issues. Zelenka asked for Board input and Pilling suggested that the Board bring comments together prior to the November 4 meeting, perhaps getting together prior to the meeting to discuss. There is a need to solve problems and give solutions as well as looking at funding. Zelenka asked the Board to e-mail him with comments prior to Tuesday, November 2 at 5:00 pm. The Board agreed that Zelenka is a well-respected, valued speaker and people want to hear what he has to say.

Upcoming
Meetings

The Finance Committee and Rate Committee will meet on Thursday, November 4 beginning at 5:30 pm in the District offices.

The next regularly scheduled Board meeting will begin at 5:30 pm on Tuesday, November 9 in the District offices.

The Board Retreat has been scheduled for Tuesday, November 30 from 9:30 am–3:15 pm in the District offices.

Adjournment

The Board meeting was adjourned at 2:25 pm.

Minutes prepared by Beth Matthews, Board Secretary.

