

**EMERALD PEOPLE’S UTILITY DISTRICT
BOARD OF DIRECTORS
MEETING AGENDA**

33733 Seavey Loop
Eugene OR 97405

Meeting Time: 5:30 p.m.

TUESDAY, JUNE 16, 2020

The meeting will be virtual through GoTo Webinar. Meeting call-in instructions for public comment are below.

1. CONVENE BUSINESS MEETING - CALL TO ORDER – ROLL CALL – INTRODUCTIONS
2. AGENDA TIMELINE – Requests for Additions or Deletions
3. DEFERRED ITEMS
4. PUBLIC COMMENT

GoTo Webinar – Call-in: 877-309-2071

Access Code – 293-417-153

***PLEASE NOTE:** Statements from the public are limited to 5 minutes per speaker and are a comment period only on utility business, time permitting. The Board will not engage or respond to comments unless it is to correct inaccurate information or statements from the public. Interaction with the Board will be allowed if a member of the public has previously submitted a request to be added to the Agenda.*

PRESENTATIONS AND REPORTS

5. FINANCE/TREASURER REPORT
6. GENERAL MANAGER’S REPORT

ITEMS FOR ACTION

Items placed on Consent Agenda are of a routine nature. Board will vote on the Consent Agenda without discussion. Items requested by any Board Member for discussion will be acted on separately.

7. CONSENT AGENDA
 - Minutes of Board Meeting – May 19, 2020
 - Action Item 20-05/Resolution 2020-02 – FEMA Signing Agent Designation
 - Approval of Claims

INFORMATION AND PLANNING ITEMS

- 8. REVIEW OF MOTIONS
- 9. PUBLIC COMMENT – Open Comment Period (*if time permits*)
- 10. SUGGESTED ITEMS FOR FUTURE MEETINGS
- 11. UPCOMING MEETINGS/EVENTS

Friday, June 19
 OPUDA Meeting.....TBD..... .8:30 am

Wednesday, July 8
 PPC Forum.....TBD.....3:00-5:00 pm

Thursday, July 9
 PPC Meeting TBD..... .8:30 am

Friday, July 10
 PNUCC Meeting..... TBD..... 8:00-12:00 pm

Tuesday, July 21
 EPUD Board Meeting.....EPUD.....5:30 pm

- 12. DIRECTORS’ CONCLUDING COMMENTS
- 13. ADJOURN MEETING

EMERALD PEOPLE'S UTILITY DISTRICT
Board of Directors' Meeting
May 19, 2020
Minutes

Convene	President Parker convened the meeting at 5:30 pm at the Emerald offices, 33733 Seavey Loop Road in Eugene.
Attendance and Introductions	Directors: Patti Chappel (by phone), Ron Davis, Charles Kimball, Brian Parker, and Kevin Parrish. Staff: Doug Barab, Alicia Burgess (by phone), Sara Cline, Kyle Roadman, Kelli Strange (by phone) and Wendi McKay. Guests: None.
Agenda Timeline	There were no additions to or deletions from the agenda.
Public Comment	None.
Deferred Items	None.
Finance/ Treasurer's Report	<p>The Accounts Payable Check Register for the period from April 1-30 was reviewed and discussed. Staff clarified several expenditures for the Board.</p> <p>Cline pointed out some expenses attributed to preparing the workplace for when employees return to the office as well as some supplies for teleworkers. Parker asked if these expenses are being kept separate in the budget. Cline confirmed they are separated on the labor and non-labor side, since there could potentially be recovered funds and it would be nice to know what our budget looks like absent COVID.</p> <p>There was an agriculture lighting project noted on the check register.</p> <p>The true-up for net metering customers occurred. This happens once a year, it used to be in December but is now done in March.</p> <p>Cline noted an interest payment on a bond. Once a year there is an interest payment and at another point in the year there is an interest and a principal payment due.</p> <p>A new tool the utility is using, called Alert Media, was mentioned. It will be used as a way to communicate with employees; it can send out mass emails or texts and is a quick and easy way to relay messages to all employees.</p> <p>Parrish asked about a payment for credit services. Cline said this is for Emerald's customer accounts but clarified it's from prior to COVID, and no disconnects have been made since before COVID.</p>

General Manager's
Report

Cline presented the General Manager's Report with the following updates:

- The full FEMA reimbursement, \$3.2M, has been received from the 2019 snow storm. Now, a major disaster declaration has been made for the State of Oregon in response to COVID. Staff was alerted that expenses incurred between March 1 and May 15 will be eligible for relief fund, so the utility has been tracking these expenses, although it is unclear at this point what may be eligible for reimbursement from the program.
- Cline talked about the utility's COVID returning to work plan saying it's important to establish guidelines that employees will use and adhere to. Chappel asked if there has been discussion on re-opening the lobby. Cline said there has been little feedback received from customers regarding re-opening. When the time comes for disconnects to begin, the lobby will need to be open for customers to make cash payments.
- Emerald is continuing to push diligence with cyber security out to customers and employees. There are new criminals out there trying to play on people's fear and targeting the energy sector specifically.
- Cline said there was a small storm on May 2, the first storm since COVID, which made it difficult for crews to social distance as they worked on the outages. They began around 11:00 am and by 4:30 pm around 535 meters in 11 locations had been restored.
- As of the end of April, loads are down 2.3% compared to last year at this time. This could be attributed to a warmer January and February, down one industrial customer and COVID impacts. At this point, staff is still optimistic but has added some conservatism in the first quarter review.
- Cline gave an update on accounts receivable. No customer disconnects for non-payments have happened since March 16; normally they would be eligible when they are more than 30 days past due. There are now around 530 accounts in the 60-90 day past due category that total about \$107,000, with the average account owing around \$200. In the May bill stuffer, there is a note to customers that says in the kindest way possible that Emerald cannot give electricity for free. The bills will need to be paid eventually and staff continues encouraging customers to call and make arrangements with customer service representatives. Cline said there is still funding for energy assistance and additional federal funding has been committed although not yet available to be dispersed.
- Cline said a few more cost of service materials went to the Board prior to the meeting, and if the Board had any questions to work with staff after the meeting. Roadman added there is a new graphic that breaks down the monthly charge and it may be beneficial to look at it. Davis asked how other utilities are able to keep their basic charge low with a higher energy charge. Parrish said their loads and locations are different than Emerald's and need to do what makes sense for this utility. Parker asked Davis what to cut out of the budget to lower rates.
- The Oregon Short Term Fund, or pool, interest rate was at 2.75% and now it's down to around 1.3%.

- The GREEN Grant finalists are both schools who are proposing solar projects. They will both be listed in the June PowerLines for customers to vote on by July 10.
- The Time of Use rates pilot has been expanding to include 16 employees to continue working out the details, before it's expanding to public volunteers.
- Cline shared some staff updates with the Board. In an effort to continue communication with all employees, virtual All Staff meetings are occurring every two weeks.

The 2020 budget included funding to change the layout in the Operations and Engineering wing of the building. The new layout will be better functionally for staff and is now ready for when employees come back into the office.

There are going to be three vacancy announcements coming up due to a mechanic retiring, the operations supervisor retirement and IT support.

Two apprentices recently upgraded at last month's virtual JATC meeting. Keith Smith and Rick Simington can now both do "hot" work. One lineman who recently topped out, Jesse Duval, just went on leave to help his wife with their twins born on May 8th.

Q1 Budget Review

Cline said it is still relatively early to forecast expenditures for the rest of the year. Between revenue and purchased power, staff is proceeding into the rest of the year with caution, as far as the rest of the budget is concerned. With the recent FEMA reimbursement, Cline is keeping it separate from the rest of the report because included, it paints a better picture than it really is.

Parker asked about the projections for Bonneville with the snow run off. Roadman said staff has their own way of tracking through The Energy Authority. Luckily, due to self-forwarding, the utility has been able to dodge the negative pricing. Its peak run off right now, it'll continue through June.

Parker said we will just have to continue watching the rest of the year. It's just one quarter.

Cline noted the Board labor and non-labor is down, since there has not been any travel needed for trainings or conferences. Chappel said she has signed up for some webinars and said she may end up over budget.

Strategic Plan: Debt Financing Discussion

Cline said borrowing was discussed at the April Board meeting. Emerald's financial position is very strong currently, but cash on hand is one area that needs attention. Being on a trajectory to be debt free may not necessarily be the best at this time. Cline said the utility looks very attractive for lenders and there is a lot going on in the rate environment that Emerald has an opportunity to take advantage of.

Staff has been hard at work with a capital plan and looking at different projects that need to be completed that could really improve reliability for customers. The use of contractors will come into plan to help move these projects forward. It could be a great time to get some of these projects done with some contractors not being overly busy right now, it's a win-win situation and will help the local economy.

Chappel asked for clarification on what kinds of jobs contractors could do. Cline said there is a reconductoring job that would be difficult for EPUD crews to get done in addition to their regular work, but contractors could easily do it since its more focused work. There are other similar jobs, including underground wiring, and others mentioned in last month's Board meeting.

Cline shared three scenarios with the Board showing different borrowing strategies. The first scenario showed the utility's 10-year forecast with no new borrowing. The total debt to total assets ratio would be in compliance with Board policy and would be at 0% by 2025.

The second scenario showed annual borrowing at a level similar to the incremental amount of the enhanced capital plan. The utility would borrow less per year than what the total debt service is. Parker said the risk with this scenario is interest rates could increase.

The third scenario showed the borrowing front loaded in 2021 based on the incremental amount of the enhanced capital plan.

Parker said this is perfect timing with rates as low as they are currently. Parrish asked about doing a loan versus issuing bonds. Cline responded it depends on what direction the Board decides to go with. Bonds are distributed over a longer period of time. Roadman said there is an option of doing a combination of both. Parrish noted that the utility's debt to total assets ratio will jump into the double digits, but that's not necessarily a bad thing.

Roadman said staff has been talking to a couple of different banks and Emerald's debt capacity is great. Having not borrowed since 2006, staff has been relying on revenues to fund capital but this may be a good time to start financing capital projects with borrowing instead of with rates.

Parker said interest rates are going to be at or below inflation, so this is a no brainer and Parrish agreed saying the sooner staff can get going on this the better. Chappel said the utility is in great shape and the balance sheet has made much progress.

Davis was in agreeance and said it makes a lot of sense since this has a long term pay back.

There was a brief discussion on rates. Parrish said borrowing should be used for capital infrastructure and not to keep rates the same. Kimball asked Parrish if he would object to efforts to hold the line on rates. Parrish said he disagreed with borrowing to keep rates the same; if the utility is going into debt, it should be for capital infrastructure improvements.

Cline said the plan for June is for staff to continue moving forward with the strategic plan and borrowing. More research options will continue and be shared with the Board. Cline noted the final vote for the strategic plan will be at the July Board meeting.

Cline also asked the Board for help with their Finance and Rates committee member. She encouraged the Board to go over the Strategic Plan with their constituents prior to the fall meetings.

Consent Agenda

Motion Director Chappel/Director Parrish motioned to approve the Consent Agenda.

Vote Unanimously approved.

Review of Motions The motions made during the meeting were reviewed for accuracy.

Public Comment None.

Suggested Items for Future Meetings None, other than those discussed during the meeting.

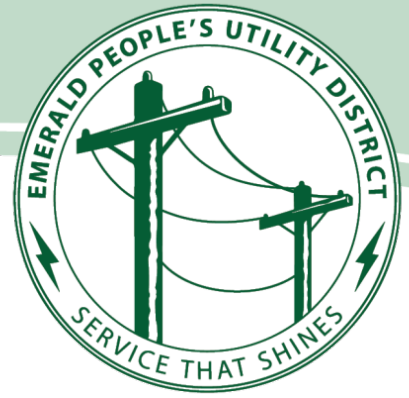
Upcoming Meetings/Events A list of upcoming meetings and events was available on the Board agenda.

Directors' Concluding Comments Chappel asked about PPE for employees, staff responded there are masks provided for employees and gloves.

Adjournment President Parker adjourned the Board meeting at 6:58.

Minutes prepared by Wendi McKay, Executive Assistant.





Action Item 20-05

To: Board of Directors
From: Scott Coe, General Manager
Date: June 16, 2020
Re: FEMA Agent Designation

Discussion

Attached is a resolution designating an authorized individual from Emerald to sign documents related to FEMA projects. The resolution needs to be approved by the Board authorizing the individual, in this case the General Manager, to sign these documents.

Action:

Staff requests Board approval of Resolution 2020-02 designating the General Manager to sign documents for FEMA projects.

**Emerald People's Utility District
Resolution 2020-02**

DESIGNATION OF AGENT

RESOLUTION

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF EMERALD PEOPLE'S UTILITY DISTRICT THAT SCOTT A. COE, GENERAL MANAGER

**is hereby authorized to execute for and in behalf of
EMERALD PEOPLE'S UTILITY DISTRICT,**

a public entity established under the laws of the Oregon, all required forms and documents for the purpose of obtaining financial assistance for the Hazard Mitigation Grant Program (HMGP) or the Pre-Disaster Mitigation (PDM) program under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93-288 as amended by Public Law 100-707) or the Flood Mitigation Assistance (FMA) program, Repetitive Flood Claims (RFC) program or Severe Repetitive Loss (SRL) program under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq), National Flood Insurance Reform Act of 1994 (Public Law 103-325) and the Flood Insurance Reform Act of 2004 (Public Law 108-264), as pertains to federal mitigation grant programs indicated below (check all that apply):

HMGP PDM FMA RFC SRL

Passed and approved this _____ day of _____, 20_____.

CERTIFICATION

I, _____, duly appointed and _____
(Name) (Title)

of _____, do hereby certify that the above is a true and correct copy of
(Public Entity)

a resolution passed and approved by the _____
(Governing Body)

of _____ on the _____ day of _____ 19____.

(Signature)

(Official Position)

(Date)

By:

Ron Davis
Vice President

ATTEST:

Wendi McKay
Secretary of the Board

Vote of the Directors:

	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Chappel	_____	_____	_____
Davis	_____	_____	_____
Kimball	_____	_____	_____
Parker	_____	_____	_____
Parrish	_____	_____	_____