

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

33733 Seavey Loop  
Eugene OR 97405

**Meeting Time: 5:30 p.m.**

TUESDAY, JULY 21, 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: 1-866-901-6455**

**Access Code – 165-688-830**

***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 – June 9 & 16, 2020
  - Approval of the 2021 Budget Preparation Schedule
  - Approval of Claims
8. MOTIONS AND RESOLUTIONS
  - Action Item 20-06 – Approval of the 2019 Audit
  - Action Item 20-07 – Approval of the 2020 Strategic Plan

**INFORMATION AND PLANNING ITEMS**

9. REVIEW OF MOTIONS

10. PUBLIC COMMENT – Open Comment Period (*if time permits*)

11. SUGGESTED ITEMS FOR FUTURE MEETINGS

12. UPCOMING MEETINGS/EVENTS

Friday, July 17

OPUDA Meeting.....TBD..... .8:30 am

Wednesday, August 5

PPC Forum.....TBD.....3:00-5:00 pm

Thursday, August 6

PPC Meeting .....TBD..... .8:30 am

Friday, August 7

PNUCC Meeting.....TBD..... 8:00-12:00 pm

**Tuesday, August 18**

**EPUD Board Meeting.....EPUD.....5:30 pm**

13. DIRECTORS' CONCLUDING COMMENTS

14. ADJOURN MEETING

EMERALD PEOPLE'S UTILITY DISTRICT  
Board of Directors' Work Session  
June 9, 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	<p>Directors: Patti Chappel (by phone), Ron Davis, Charles Kimball, Brian Parker and Kevin Parrish.</p> <p>Staff: Doug Barab, Sara Cline, Scott Coe, Kyle Roadman, Kelli Strange (by phone) and Wendi McKay.</p> <p>Guests: None.</p>
Agenda Timeline	There were no additions to or deletions from the agenda.
Public Comment	None.
Board Review of the 2020 Draft Strategic Plan	<p>The only agenda item for the meeting is a Board discussion on the 2020 Strategic Plan. Coe said he would like to go through some of the items in the plan that have not been previously discussed. The goal is to vote on this plan at the July 21 meeting. Coe added that if there are changes or any suggestions the Board wants to make, to communicate with staff within a week so there is time for edits before the July meeting.</p> <p>Coe said Emerald's Senior Staff along with Communications Coordinator, Kristine Lindemulder, and Energy Services Coordinator, Rob Currier, have all put a lot of time and effort into creating this plan. The plan is a guidepost for the utility, for staff, and for the Board.</p> <p>Coe began the discussion with an update on the 2015 succession planning strategy. There have been several retirements over the last 5 years and four of those retirements have been in the last 6 months. Much of what was in the 2015 plan for retirements have come to fruition. Coe mentioned IT Supervisor, MacLean, just successfully completed his 6 month probation period as a supervisor and has done an excellent in his new position.</p> <p>Coe discussed the balance sheet progress Emerald has made. One important point mentioned; Emerald is not just paying down debt, but has actually increased net electric plant assets by \$25 million since 2015. This has occurred with the increase in line upgrades, reclosers, and transformers. Customers have been well served in the last five years, and will continue with the next five year plan.</p> <p>There was a discussion about renewable resources and the California "Duck" chart was shown to the Board. This chart drove a lot of the planning when Emerald created the 2015 Strategic Plan. The duck curve chart showed what the load would have looked like in California if they had not added renewable resources (mainly wind and solar).</p>

They have actually over performed and it has caused some problems for the NW, specifically with the morning peak. It has become difficult for resource availability which Coe said the volatility is partly caused by a reduction of thermal resources. The morning price is spiked and Emerald needs to be in front of this to avoid being negatively impacted by high prices.

Coe highlighted a topic from a recent PNUCC call, the Northwest power pool discussed resource adequacy development and what will determine how much is enough. Certain parties need to produce assets so power can be supplied. The next presentation on the PNUCC call was about the California ISO summer readiness study. They are leaning on the import market, not just the Northwest, for 7,000-10,000MW of power. They are relying on the market for their summer needs and it will impact EPUD at some point soon, which is another reason why the strategic plan is so important.

Next, Coe briefly discussed the Electric vehicle program. Currently, out of all the Oregon utilities, Emerald has the 3<sup>rd</sup> highest percentage of customers driving EV's. It's important for the utility to continue its efforts supporting the programs in place and to be prepared with how to deal with this advancement in the marketplace.

The wholesale market volatility was discussed. Coe said EPUD is running on the edge of marginal resources going offline and not being replaced (aside from solar and wind). This is something staff will continue working on over the next 5 years so customers aren't impacted.

Parrish asked about the plan to cool the water in the hydro system and reservoirs and how this might impact EPUD. Coe responded that it will be a critical issue when Emerald gets into the 2028 Bonneville contract discussions. Bonneville sees this as a big risk to their rates. Coe stressed that it's not something staff can control, but can respond and be prepared for when contract discussions begin.

Coe said the topic of wildfires was not as topical of an issue five years ago as it is today. Senior Staff has been closely monitoring the issue, along with Danelle Romain whom Coe was on a PUC call with last week. Coe said there are issues with smaller utilities and it's not feasible to take the big utility template and expect smaller utilities to do the same when it comes to wildfire mitigation. Coe said however, that Emerald is very proactive with this and ahead of the game with its vegetation management program.

Coe discussed the need for improvement in system resiliency. There have been two major storms since the 2015 Strategic Plan. The storms heightened senses with the current outage system and areas for improvement and is incorporated into the plan.

Coe said staff has discussed several initiatives with the Board over the past few months. These include the distribution system enhancements, load factor improvement, cost of service design, organizational resiliency, customer facing programs, debt levels and strategic borrowing.

A couple of other items in the plan that haven't been discussed in detail include organizational resiliency and customer facing initiatives. Much has been done in the last five years in the organization and the workplace dynamics are changing; just in the past few months there's been even more of a workplace dynamic change with COVID and the immediate need for teleworking capabilities. Coe said MacLean has been doing a great job moving everyone in the utility forward as many began working from home in March. MacLean and his team made this transition as seamless as possible and Coe said many customers did not know that when they were calling in to talk to customer service reps, that they were working from home. Other utilities have struggled to transition, and some were not able to make the teleworking transition at all. Employees are more than willing to move around to different departments and help with different jobs; this helps keep the pipeline full of flexible and talented employees. Coe also noted some of the resiliency is also due to not having a union so employees are more than happy to move around and help out in other areas.

Lastly, Coe said the customer facing initiatives put together in the Grid Management Initiative (GMI) that hold value have been held off until the end of the project to ensure they will work correctly for customers. Some of the technology is still being built out, but there will be more to come in the next few years. SmartHub has been very helpful to both customers and the utility's energy service department. Roadman said the app, along with the Advanced Analytics project, have been great for energy services especially since they are teleworking and unable to go out on customer audits. They have been able to utilize SmartHub to help customers manage their usage.

Roadman noted that other providers may come into EPUD's service territory at some point therefore the thought of competition was incorporated into the plan. EPUD wants to be a customer partner, not an adversary.

There was a brief discussion on the community aggregator model which gives utilities the opportunity to choose what they want to purchase with some specific attributes.

Parrish said the strategic borrowing should be used for projects and updates that will have an impact on reliability and he agrees with the idea of using long term borrowing bonds. He also said he wanted to clarify something he said from the May Board meeting; he would be in favor of borrowing to lower rates if it made sense to do so. Parker said he thinks it would be advantageous to borrow the money upfront to fund projects to improve the system.

Parker said he is in favor of the plan the way it is written; Chappel and Davis agreed with this as well.

Coe said in the next five years, Bonneville's Slice product is something that needs to be evaluated. Emerald may want different terms and it's not a given that the current product is something staff would move forward with; the price certainty and term length may need to change.

With the carbon markets changing on the west coast, it gives BPA some leverage. Coe said BPA’s current Administrator, Elliot Mainzer, has done a fantastic job in his time at the job.

Chappel said there are other places to get power from, other than BPA. Coe said it will be interesting to see what other hydro operations are doing. Emerald is in a good spot, being a 55MW utility, there are other provider options.

Chappel mentioned the cost of service analysis and the difference in Emerald’s basic charge and the true cost of service. Coe said this is something that can be looked at with the annual budget but given the current economic circumstance, it would seem like a good idea to keep rates status quo for 2021. There is no need at this point for a rate adjustment, however this is an important point for the Board to discuss in the 2021 budget and rates plan.

Parrish made a point that per policy, any given rate class cannot be increased more than 10% a year, so it would take multiple years for the rate classes that are far behind their cost of service to catch up.

Parker said he may not be at the next Board meeting in a week. Chappel said she hopes everyone will take into consideration to start wearing face masks.

Public Comment                   None.

Adjournment                       President Parker adjourned the Board meeting at 6:34 pm.

Minutes prepared by Wendi McKay, Executive Assistant.

A handwritten signature in blue ink, appearing to read "Wendi McKay", is written in a cursive style.

EMERALD PEOPLE'S UTILITY DISTRICT  
Board of Directors' Meeting  
June 16, 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. Chappel said she had some items to add to the agenda for later in the meeting.
Public Comment	None.
Deferred Items	None.
Finance/ Treasurer's Report	The Accounts Payable Check Register for the period from May 1-31, 2020 was reviewed and discussed. Staff clarified several expenditures for the Board.  An item for the Short Mountain generator rebuild was noted.  Barab shared some examples of items listed on the register. Four transformer protection relays made by Beckwith Electric were purchased and an example was shown to the Board. A voltage regulator, from the same manufacturer, was also shared with the Board. Emerald purchased three of these regulators in May. The last item Barab showed was a test paddle which make it more reliable for testing relays.  Cline said another purchase for Short Mountain, high force cylinders, was purchased. It's a fusion machine to weld gas lines together; in the past this item has been rented but one was found used for \$24,000 instead of new for around \$80,000.  Parrish asked about the fuel purchase from Woodbury Energy Co., and if the utility is still paying a premium for biodiesel. Coe said he would follow-up with him after the meeting.
General Manager's Report	Coe presented the General Manager's Report with the following updates: <ul style="list-style-type: none"><li>• There is no Public Power Council (PPC) meeting for July. The PNUCC meeting in July is for Board members of the PNUCC only.</li></ul>

- It's officially hay (straw) season. Sometimes clusters will get on power lines and they can cause fires or interruptions to the system. Emerald is working with BPA on getting messaging out to customers so they will call if they see any on the lines. This is a problem every year, last year BPA was hit hard because of this issue.
- Coe explained the new heat pump water heater pilot project Emerald has begun. Roadman's team is partnering with NEEA with this project to increase water heaters in residences without a cost to the customer. The pilot has started in Veneta due to having the most constrained feeder and will help with EPUD's load factoring improvement initiative, or shaving the "peak". Coe added this project has nothing to do with him being on NEEA's Board, they were already doing these types of projects before he started. Roadman said the goal is to get 100 of these water heaters installed for customers, but so far only 15-20 calls have been taken regarding the program.
- Coe said there is an item in the Consent Agenda for Board approval regarding FEMA mitigation projects. The item requires approval for Coe to sign or authorize contracts for FEMA mitigation projects.
- An update on COVID-19 cases in Lane County was given. Coe said Lincoln County was low until the infection outbreak at a facility. If something similar happened at Emerald, it would be difficult to respond to outages and mutual aid support would be unlikely. Currently, the utility operations have continued with staggered start times and more precautions being taken with crews working in pods. So far, everything is going well but there is no end in sight for opening the front door to customers, however, there will eventually come a time when customers can make appointments to come to the building to discuss their bills or accounts.
- Coe said it is well known the LIHEAP money has increased for billing assistance and is available to Lane County departments. The state has added an extra \$15 million for energy bill assistance. Even with the stimulus checks and the unemployment checks with the added kicker, there has still been an increase in customers who are 60-90 days late on their electric bills; most of these were in this status before COVID hit. The customers who have been impacted by COVID hard have been working with customer service representatives and are making billing arrangements through billing assistance programs. Those who were late on their bills prior to COVID continue to be late and many haven't made arrangements to pay their bills. There is a sense that they can't be disconnected, so they're not paying their bill.  
Staff is planning on cautiously communicating to customers that disconnection is an option; therefore they need to make payment arrangements. Staff will be flexible with these arrangements and will bend over backwards to help but if they don't call in, notices will be sent out after July 4.

Other utilities have said they will be doing something similar with their past due accounts. Chappel said to exercise caution when doing this so that it doesn't appear that Emerald is showing bias to the chronically poor.

- Coe gave an update on loads for June. So far they are doing well. May 2020 loads were up 1.1% over last year.
- An update on employee retirements was given. There are two upcoming retirements, John Schaffer, who has been a mechanic for 42 years (nine years at Emerald), and Operations Supervisor, Jerry Lay, who is a 36 year employee.  
Another employee recently joined the 35 year club, Doug Hoover. He started as a meter reader and he has been finishing out his career at Short Mountain. He has an apprentice, Thomas Robbins, who will be working with him for the last few years before retirement.
- Cline shared some good news with the Board. Last month Emerald applied for some funding for coronavirus expenses through the CARES Act, which is administered by the state. Every item that was submitted has been approved; which ended up at over \$300,000. This reimbursement is for what has already been spent at the utility as a result of the coronavirus. It includes sanitary items for around the building, money spent preparing for telecommuting, crews who were quarantined in the beginning, and other items. Coe said Cline and her team set up a work order in the very beginning of the pandemic to make it possible to track costs. Kudos to Cline and her team for getting this done.

#### Consent Agenda

<i>Motion</i>	Director Kimball/Director Parrish motioned to approve the Consent Agenda.
<i>Vote</i>	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 participating in the APPA salary survey this year. She also urged the rest of the Board to wear masks during the meetings if they are going to attend in person. Chappel asked when the Finance and Rates committee would be meeting this year.

Coe said the budget schedule will be shared with the Board at the July meeting for their approval; the Finance and Rates committee meeting dates are on this schedule. Chappel asked if the draft Strategic Plan can be shared with committee members and Coe responded to be cautious with asking for input since the draft is far along in the process. It is close to its final form so it would be difficult to change anything in the draft at this point. Once the Board approves the plan in July, then it would be a good time to share with constituents.

Parker said he's happy with plan and would vote to approve it at the next Board meeting and congratulated staff on all of their hard work put into the plan.

Adjournment

President Parker adjourned the Board meeting at 6:28 pm.

Minutes prepared by Wendi McKay, Executive Assistant.

A handwritten signature in blue ink, appearing to read "Wendi McKay". The signature is fluid and cursive, with a long horizontal stroke extending to the right.



## 2021 Budget Preparation Schedule

When	Who	What
Monday July 13, 2020	EPUD Staff	Discuss budget process and goals at Senior Staff meeting; Accounting personnel are available to help ensure consistent interpretation and application of instructions.
Tuesday July 21, 2020 5:30-8:30 p.m.	Board Meeting Open to the Public	Board review and vote on the 2021 Budget Preparation Schedule.
Friday Aug 14, 2020	EPUD Staff	Budget inputs should be completed by all departments.
Monday Aug 17, 2020 - Friday Aug 28, 2020	EPUD Staff	Senior Staff review of the initial draft of the 2021 Budget Proposal.
Tuesday Sept 22, 2020 5:30-8:30 p.m.	Finance & Rate Committee & EPUD Staff	Committee review of the Strategic Plan and 2020 Cost of Service Analysis (COSA).
Tuesday Oct 6, 2020 5:30-8:30 p.m.	Board Meeting Open to the Public	Board review of the initial 2021 Budget Proposal.
Tuesday Oct 13, 2020 5:30-8:30 p.m.	Finance & Rate Committee & EPUD Staff	Committee review of the initial 2021 Budget Proposal.
Thursday Oct 15, 2020 5:30-8:30 p.m.	Finance & Rate Committee & EPUD Staff	Continued education and review of the 2021 Budget Proposal <b>(if necessary)</b> .

● Green=Open to the Public

● Blue=Finance & Rates Committee & EPUD Staff

● Red=EPUD Staff

All meetings are held at the EPUD Headquarters location: 33733 Seavey Loop Road in Eugene.



## 2021 Budget Preparation Schedule

When	Who	What
Tuesday Oct 20, 2020 5:30- 8:30 p.m.	EPUD Staff, EPUD Board, Open to the Public	Board discussion of the 2021 Budget Proposal and the 2021 Rate Structure Proposal. Committee Chair presents the Committee recommendations. <b>Public Hearing on the 2021 Budget Proposal and the 2021 Rate Structure Proposal.</b>
Tuesday Nov 17, 2020 5:30- 8:30 p.m.	Finance & Rate Chair, EPUD Staff, EPUD Board, Open to the Public	Board votes on the 2021 Budget and the 2021 Rate Structure.

● Green=Open to the Public

● Blue=Finance & Rates Committee & EPUD Staff

● Red=EPUD Staff

All meetings are held at the EPUD Headquarters location: 33733 Seavey Loop Road in Eugene.



## Action Item 20-06

To: Board of Directors  
From: Scott Coe, General Manager  
Date: July 21, 2020  
Re: 2019 Audit

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### **Discussion**

Board policy 1145 Board Duties, Authority and Responsibilities details the Board's obligation to provide for an annual audit of all District funds and any other funds under District supervision.

At the January 21, 2020 Board meeting, Moss Adams gave their pre-audit presentation to the Board. This presentation detailed their dedicated audit team, their responsibility to the Board, the audit process, and the timing of the audit. Subsequently, at the April 21, 2020 Board meeting, Moss Adams presented their final audit results to the Board.

### **Action Request**

Board approval of the 2019 Audit as presented by Moss Adams at the April 21, 2020 Board meeting.



## **ACTION ITEM 20-07**

To: Board of Directors  
From: Scott Coe, General Manager  
Date: July 21, 2020  
Re: 2020 Strategic Plan

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### **Discussion**

Emerald's current Strategic Plan was approved in 2015, laying the groundwork for several major initiatives over the past few years. Given the significant changes in the industry since this time, Staff has worked with the Board to develop a new Strategic Plan to serve the utility moving forward. The document is intended to serve as a roadmap for future activities and investments, and will be referenced when submitting proposals to the Board in the coming years.

The major initiatives within the 2020 Strategic Plan were presented to the Board over the course of several meetings in 2020. A dedicated workshop was held on April 21, 2020, after which an initial framework and draft plan were developed. This draft was shared with the Board at an additional workshop on June 9, 2020. After discussion, the Board indicated its willingness to move forward with the new Strategic Plan as written. The final document is substantially the same as the draft that was reviewed; updated only for grammar and formatting corrections.

As written, the new Strategic Plan maintains the strategic goals of being a customer partner, the energy services provider of choice, and an industry leader. A new set of initiatives is laid out to achieve these goals: Distribution System Enhancements, Load Factor Improvement, Cost of Service Rate Design, Organizational Resiliency, Customer Facing Programs, and Finance.

### **Action Request**

Approval of the 2020 Strategic Plan by the Board of Directors.