

SPRINGFIELD UTILITY BOARD

223 A STREET, SUITE F
SPRINGFIELD, OR 97477

MINUTES

November 14, 2007

The regular session of the Springfield Utility Board was called to order by Chair Adams at 6:45 p.m.

ATTENDANCE: Board: Bobbie Adams, Chair; Virginia Lauritsen, Vice Chair; Ken Boyst; Theodore L. Johnson; Joe Mathieu. Staff: Bob Linahan; Chuck Arrera; Amy Chinitz; Chuck Davis; Meredith Clark; Ray Meduna; Judy Berra; Matt Cox, Attorney for the Board. Others: Stuart Perlmeter; Ken Vogeney.

MINUTES: * Joe Mathieu motioned, and Ted Johnson seconded, to accept the Regular Board minutes for October 10 and the Board Retreat minutes for October 13, as presented. This motion **CARRIED** unanimously.

ACCOUNTS PAID: * Ted Johnson motioned, and Virginia Lauritsen seconded, to approve the accounts paid listing, as presented. This motion **CARRIED** unanimously.

BUSINESS FROM THE AUDIENCE: None.

BUSINESS FROM THE BOARD: On behalf of the Board, Virginia Lauritsen commended and thanked all the SUB staff who put together today's Giving Thanks Luncheon. Everything was very well done, she said.

Ms. Lauritsen gave a review of the Oregon Law Conference that she and Joe Mathieu recently attended. They came away from the conference with concerns about water rights and water restrictions in Oregon and costly endangered fish issues. She said she will be giving Chuck Arrera, the director of SUB's Water Division, a full set of the new water laws document that was handed out at the conference.

Appointment to SUB's Budget Committee Chair Adams noted that prior to the regular meeting this evening, the Board had held a special session to conduct interviews for the vacant position on SUB's Budget Committee.

- * Bobbie Adams motioned, and Ted Johnson seconded, to appoint Roy Burling and George Litzenberger to SUB's Budget Committee to each serve a 3 budget-year term from November 14, 2007, through December 31, 2009. This motion **CARRIED** unanimously.

The Board directed staff to send letters to all the applicants informing them of the Board's decision.

**BUSINESS FROM THE
GENERAL MANAGER:**

**Springfield School District
Grant**

Bob Linahan introduced Stuart Perlmeter, Coordinator of The WELL Project for the Springfield Public Schools for the past nine years, to give the Board a report on how the School District is using the Grant money that they receive from SUB.

Mr. Perlmeter began his review of some of the numerous programs under The WELL Project (Exhibit A). First, he explained that "WELL" stands for Water and Energy Learning Labs. He took over that grant project in 1998. His primary job is to determine how the Springfield School District can best utilize the Grant money. The focus is based on what SUB provides to the community—water and energy to every household. The idea behind the Grant is to educate the up and coming citizens of the community about issues around water and energy, he said, which is accomplished several different ways. He personally teaches in classrooms and develops curriculum for the teachers that he trains within the district and he gives them classroom assistance. To provide students with memorable experiences from their schooling, he takes them out of the classroom and gives them training directly in the field.

Curriculum development is very important, he said. He looks at water and energy issues and how they relate to the school curriculum. Then he develops the curriculum and purchases materials, if necessary, so that when he delivers the materials to the classroom, everything needed to teach the students is there. Teachers don't have to scramble for anything, he said.

Mr. Perlmeter then began his review of some of the projects.

Water Science is integrated into the regular high school curriculum, he said. All chemistry students at Thurston High School (THS) receive a minimum of one week of hands-on instruction on water science.

The Grant has allowed the Springfield School District to have more water analysis equipment than any other high school in the United States, he reported. We've invested a lot in equipment, and we have planned specific activities so that the students will be able to use all the equipment, such as the week-long Parson's Creek simulation where students analyze well water for water hardness, chromium, zinc, and things that are not normally expected to be in water will sometimes show up in these samples. Then the students analyze the data. There is a lot of chemistry integrated into this activity. So far, every chemistry student who has attended THS has gone through this activity.

We also do stream ecology and water quality analysis, said Mr. Perlmeter. All the biology classrooms spend a week using the same equipment to analyze various water samples from around the area and to look at issues around surface water, he explained. This experience combines science and education in an enjoyable way for the students.

We train all the chemistry and biology students on water analysis, he said. From this pool of students, we put out an application process. From the applicants we set up several Advanced Water Teams. And the teams do projects in cooperation with SUB, the City of Springfield, the Department of Environmental Quality, McKenzie Watershed Council, Mohawk Watershed Council, and Oregon's Drinking Water Department. Mr. Perlmeter meets with representatives from all these agencies and learns what problems they need data on that they do not have the resources to do themselves. His job is then to train the students with standards approved by the Environmental Protection Agency (EPA), using the latest equipment, so they can try to get the data that these agencies need. He sets the students up into the following Advanced Water Teams: Well Water Testing; Cedar Creek; Camp

Creek Basin; Stormwater Analysis; Millrace Study; and Aquatic Macroinvertebrates. This will be a huge project and will involve up to 40 students, he said.

The most popular of all the Advanced Water Teams in terms of the public is the Well Water Testing Program, said Mr. Perlmeter. The teachers at THS wanted to offer a service to the public where students test well water samples from the rural area because it's too expensive for those residents to test their wells. This project was started about 1999 and to date we've tested over 700 samples from the public.

The McGowan Creek project was developed with matching funds from The WELL Project and funds from the Bureau of Land Management (BLM), continued M r. Perlmeter. McGowan Creek is one of the last vestiges of what is called lowland old growth areas. Some of the trees located there are 400-500 years old. We came up with this BLM grant where every year I provide matching funds for equipment and transportation costs and the BLM provides the project with \$15,000. We focus on fifth graders for a 4-week program, he said. Each day, one fifth-grade class comes up to the site, which is operated by two paid personnel from BLM funds and a host of volunteers. Students have an opportunity to spend the entire day in this old growth area and do a set of structured activities, which include aquatic macroinvertebrates; water chemistry; an old-growth hike of about one mile to teach the students the differences between old-growth forests versus a regular forest like a managed forest; and finally there is a beaver pond activity and its a web of life. The students are there from 9:00 a.m. until 2:30 p.m., he said. The feedback from the teachers has been that this is by far the best field trip that has ever been offered to the School District.

Other projects that Mr. Perlmeter briefly reviewed were:

- Jasper Slough Restoration Project (behind Agnes Stuart)
for Seventh Graders
- Hamlin Garden Project (Hamlin Middle School)
- Electric Car Team
- Solar Energy Science Kits (one per elementary school)
- Wind Turbine Project (for middle schools)

Fuel Cell Kits (used by all chemistry and physics high school students)

Water & Energy DVD Production, based on work by students on water and energy issues locally—to be distributed to every school in the Springfield/Eugene area, all utility boards and all watershed councils in Oregon.

Over the nine years that Mr. Perlmeter has been involved with the program, six students from The WELL Project have received Apprenticeship and Science and Engineering (ASE) Summer Internships, he said. In the internships, they work with a professional in the field at a university or in an industry. These six students were all young women who were involved with the Advanced Water Teams, he noted. The ASE internships are offered by the Oregon Graduate Institute, are highly competitive, and every junior in the state of Oregon is eligible to compete for them. We have received more internships per student body population than any other district in the state, he said. And the reason many of them received their internships is due to their involvement with The WELL Project and the Advanced Water Teams. They have gone on to earn their Bachelor's degrees and many are now in their Master's program in the sciences. This project has had a big impact on them, he said.

In 2002, The WELL Program was recognized by the Oregon School Board Association as the Outstanding Curriculum for the year for the entire state, he said. Also he was awarded the Edith Stevens Groundwater Educator of the Year Award from the Groundwater Guardians at their annual meeting, to recognize Mr. Perlmeter for all the work that he has done.

He thanked all the members of the SUB Board of Directors, noting that SUB's money has been well spent and it has impacted most students throughout the Springfield School District. He felt that the money SUB provided to the School District under the Grant has allowed Springfield to excel in some areas of science and to advance the idea of science in the District.

The Board thanked Mr. Perlmeter for his presentation.

Joe Mathieu said that he thought The WELL Project is outstanding and because this program is very worthwhile and is having such a positive impact on Springfield's students that the Board should consider an annual cost increase for the Grant Agreement of three percent rather than the proposed two percent.

After a brief discussion the Board made the following motion:

- * Joe Mathieu motioned, and Virginia Lauritsen seconded, to adopt the Grant Agreement with the Springfield School District that will remain the same except for a three percent increase each year of the five-year agreement, starting at \$116,390 in 2008. This motion **CARRIED** unanimously.

Report on Lane County Water Protection Overlay Zone

Bob Linahan introduced SUB's Water Quality Protection Coordinator, Amy Chinitz, to brief the Board on an upcoming presentation to the County Commissioners as part of her goal to protect SUB's drinking water system. She has been working with 16 other public water systems in Lane County to identify our overlapping source water protection concerns, he noted.

Ms. Chinitz referred to her handout (Exhibit B), and explained that she wanted to give the Board some background on the Lane County Water Protection Overlay Zone report before making a presentation at an upcoming work session of the Lane County Board of Commissioners.

She referred to a large map of SUB's source water protection area and explained that it is important to work with Lane County to implement drinking water protection because 99 percent of SUB's entire source area is in County land. As a result, Springfield has no regulatory authority over a large portion of its source water area, she said.

In November 2000, Lane County drafted the Critical Habitat Zone regulation, which failed to pass because it had been

rendered a local regulation without any state or federal backing, she explained.

Since Springfield is one of many public water systems with no regulatory authority over all or a portion of its source water area, the best way to move this effort forward was to work jointly with other public water systems to demonstrate to the County that drinking water protection is a county-wide concern, she said.

On October 29, 2007, we held a meeting in which 16 public water systems participated, representing 75 percent of the population of Lane County, and the group identified the three top priorities for County action: (1) adopt the county-wide drinking water protection overlay zone; (2) help with spill notification; and (3) partner to promote drinking water protection education. She passed around a smaller map for demonstration purposes only (Exhibit C).

Three or four public water system representatives, including SUB's Chuck Davis, will present the outcome of their meeting to the County Commissioners in early December and all they are asking for at this time is to request the Commissioners to support allocating staff time to address the need for county-level drinking water protection provisions, said Ms. Chinitz. If at least three of the five Commissioners support the proposal, we will be able to take the next step in what will be a very long process and begin exploring what those provisions might look like.

Ms. Chinitz noted that staff has met with folks from the County on a regular basis and we followed their lead in terms of the best way to approach this issue. Their recommendation was to work with as many water systems as possible and explore as many options as possible, recognizing that both the resources and the receptivity of an ordinance probably are not out there at this time. The water systems that attended the meeting recognize the need is there, she said, and the next step is to figure out how to address that need.

At the Board's request, Ms. Chinitz said she would send the Board a copy of the map she was using for demonstration

purposes and would keep the Board informed on the progress of this issue.

The Board thanked Ms. Chinitz for her update.

Review of SUB Customer Survey Results

Mr. Linahan introduced SUB's Community Relations Manager Meredith Clark to give the Board a review of SUB's Customer Opinion Survey Results for 2007.

Ms. Clark noted that the Board had previously received the Executive Summary and data tables to review prior to this meeting. Referring to her overhead presentation (Exhibit D), she said to obtain the data for SUB's 2007 Customer Opinion Survey, 400 SUB ratepayers were interviewed by telephone during the month of September. She noted that the previous two surveys were conducted in 2002 and 2004, and the methodology is kept the same with each survey as well as the survey instrument in order to be able to consistently compare from year to year the changes in responses. The sample pool is also kept the same—residential customers must be a SUB customer for at least one year so they have some experience with SUB and we pull from our actual data set of customers rather than do random dialing from the telephone book. All contacts are actual SUB ratepayers.

Over a dozen different measures of SUB's performance were looked at, said Ms. Clark. The overall performance rating indicates that 92 percent felt SUB was doing a good or excellent job. And 50 percent actually said SUB was doing an excellent job.

Our customers are satisfied overall because everything is going well—their lights are coming on, they have plenty of good water, their rates are very low—so they aren't wondering what SUB is doing because they are not having any problems, she said. However, we would like our customers to know that we are a public utility, and there are a lot of benefits to being a public utility, especially as compared to a private utility, she said.

In 2004, when we saw the 14 percent rating on how many customers knew SUB was customer-owned, we put some extra effort in getting that message in front of people by adding it to a lot of our communications. As a result, the percentage for 2007 doubled to 28 percent. We still have 50 percent who don't know, and there will probably be some percentage of people who will always not know, but we will continue to look for ways to get that word out there.

We always ask our customers to rate the importance of something and then we go back and compare our performance against those importance measures, and we look at the gap between them to see where we are at, said Ms. Clark. We do this because if something is ranked very high and our performance is ranked low, then we know that we have an issue there. If something is ranked with low importance and we are spending a lot of time and effort on getting a high ranking, then we would want to reconsider that, she said.

Obviously, reliable electricity and water service and low rates are ranked very high, said Ms. Clark. Then slightly lower in importance are concern for the environment, conservation programs and community involvement. We've tailored these five items as being primary drivers for us and that is why we consistently ask about these measures.

When comparing the ranking of these measures with SUB's performance rating, we found that reliability rated 4.9 out of 5 for importance and it was rated 4.8 for performance. Then when looking at some of the other measures, all were rated highly except for rates. The rating for low electricity and water rates was at 3.9, which is still pretty high. We also ask if SUB's rates are the same, higher or lower than other utilities and over half knew they are paying the lowest utility rates around, she said. This is an improvement over 2004 when 34 percent knew that SUB had lower rates. The customers who ranked SUB highly in terms of customer satisfaction were also the people who said they understood that SUB had lower rates.

We have put extra information in our mailers to get the word out in more specific terms about our customers paying very low rates in Springfield.

We also are following the internet usage among our customers, said Ms. Clark. In 2004, 58 percent of SUB's customers had internet access at home; in 2007 that number grew to 70 percent. And then the people who pay bills on line increased from 17 percent to 45 percent, she said.

We found that in 2004, only 10 percent of people said they were likely to pay their bill on line. That number is now up to 34 percent, said Ms. Clark. And those who were not at all likely to pay their SUB bill on line went down from 76 percent to 48 percent. There are still nearly 50 percent of customers who are not likely to pay their bills on line, and this is something we will want to take a look at. This is an interesting trend, she said, and it is driven primarily by the age of the customer. Those who are very likely to pay their bill on line are in the 24-35 age range, and those who are not at all likely to pay on line are in the 65+ range.

Another hot topic is the environment, said Ms. Clark. We always want to make sure we are on track with where people are on this item. Our customers gave the concern for the environment an importance rating of 4.4 and they ranked SUB at 4.2 in terms of our concern for the environment, so we are on track with our customers with what we're doing and how we're communicating this to them, she said. Our customers know that SUB cares about where we live and how we are approaching our energy management.

SUB customer attitudes have changed over the years toward green power, Ms. Clark said. She explained that they asked this question in 2002, but did not ask it in 2004. There is quite a difference in the two surveys, she said. In 2002 we did not give customers the option of being unsure, so 52 percent said they would pay nothing for green power. In 2007, 33 percent said they would pay nothing or were unsure. In 2002, 7 percent would pay \$1-2, and 18 percent would pay \$3-5. In 2004, 22 percent would pay \$1-2, and 23 percent would pay \$3-5. The percentage difference between paying \$6-10 was

only 1 percent less between 2004 and 2007, and remained the same to pay \$11 or more. She noted people now are more willing to pay a little more for green power and this information seems to be tracking with what's actually happening today in our Green Power Program. As of last week, we had 151 residential customers signed up for the Green Power Program and they are averaging about \$5, which means some people are giving upwards of \$15-20, and some are giving less. Our Billing Department reports that we are getting 8-10 more customers signing up for this program each week.

We always like to check in with our customers about the Light of Liberty Celebration to see if the community is hearing about it, enjoying it, and being a part of it, she said. Forty-five percent of the surveyed customers said they would attend it in 2008 if it was offered. And of those people who actually went to last year's event, 82 percent said they would go again, which is a strong statement of support for that event.

From the Marketing Department's point of view, overall we were very pleased with the results of the survey and felt that they demonstrated SUB is keeping its promise to its customers to provide great service and they seem to be responding to that.

The Board said that Meredith Clark and her staff did a good job on the survey and thanked her for her report.

Disclaimer of Interest in Electric Easements

Mr. Linahan said the Electric Division received a request from PeaceHealth to vacate six electric easements located on property now owned by PeaceHealth for the Riverbend development. Staff has reviewed the request and concluded that these easements are not required and the facilities referenced have been removed at the developer's expense. All current electrical facilities are within other existing easements, he noted. He recommended the Board approve the Disclaimer of Interest (Exhibit E) for these six electric easements.

- * Joe Mathieu motioned, and Ted Johnson seconded, to approve the Disclaimer of Interest for six electric easements granted to SUB in the Gateway area next to the new PeaceHealth hospital, since SUB's Electric Division has no interest in these six easements and all current electrical facilities are within other existing easements. This motion **CARRIED** unanimously.

Award of Bid No. 55.07 for
Underground Pad-mount
Switches

Mr. Linahan said the Electric Division recently solicited bids for two 25kV underground pad-mount switches for use on projects and stock in 2008. Five bids were received. He recommended the Board award the bid to General Pacific, Incorporated, for the lowest bid meeting specifications in the amount of \$32,714.

- * Ted Johnson motioned, and Ken Boyst seconded, to award Bid No. 55.07 to General Pacific, Incorporated, for the lowest bid meeting specifications in the amount of \$32,714 for two 25kV underground pad-mount switches to be used for projects and stock in 2008 (Exhibit F). This motion **CARRIED** unanimously.

Award of Bid No. 2-05985 for
Water Pipe

Mr. Linahan said the Water Division recently solicited bids for water pipe to be installed as part of the Westwinds Estates Subdivision and for stock. Four bids were received. He recommended the Board award the bid to United Pipe & Supply for having the lowest bid meeting specifications in the amount of \$103,011.84.

- * Ken Boyst motioned, and Joe Mathieu seconded, to award Bid No. 2-05985 to United Pipe & Supply for the lowest bid meeting specifications in the amount of \$103,011.84 for water pipe for the Westwinds Estates Subdivision and for stock (Exhibit G). This motion **CARRIED** unanimously.

Award of Bid No. 2-07925-PR
for Pavement Restoration for
the 69th Street Waterline
Reconstruction Project

Mr. Linahan said the Water Division recently solicited bids for pavement restoration for the 69th Street Waterline Reconstruction Project. Four bids were received. He recommended the Board award the bid to Egge Sand & Gravel for the lowest bid meeting specifications in the amount of \$36,625.

- * Joe Mathieu motioned, and Ted Johnson seconded, to award Bid No. 2-07925-PR to Egge Sand & Gravel for the lowest bid meeting specifications in the amount of \$36,625 for pavement restoration for the 69th Street Waterline Reconstruction Project (Exhibit H). This motion **CARRIED** unanimously.

ADJOURNMENT:

The meeting was adjourned by consensus at 8:20 p.m.

Bobbie Adams, Board Chair

ATTEST:

Robert C. Linahan, Board Secretary