

SPRINGFIELD UTILITY BOARD
223 A STREET, SUITE F
SPRINGFIELD, OR 97477
MINUTES
August 9, 2017

The regular session of the Springfield Utility Board was called to order by Chair Willis at 6:26 p.m.

ATTENDANCE: Board: David Willis, Chair; John DeWenter, Vice Chair; Pat Riggs-Henson; Mike Eyster; Virginia Lauritsen. Staff: Jeff Nelson; Sanjeev King; Greg Miller; Nick Amann; Cindy Flaherty; Joe Leahy, Attorney for the Board. Others: Bill Belcher and Steve Moe, SUB Budget Committee.

ACTION ITEMS:

CONSENT AGENDA

MINUTES – July 19 Board Minutes

ACCOUNTS PAID – June and July 2017

AWARD OF BIDS – Award of Bid #2017-13, Kelly Butte Transmission Asphalt Restoration for job #2-17937 for the Water Division (Exhibit A).

- * Mike Eyster motioned, and Pat Riggs-Henson seconded, to approve the consent agenda, as presented. This motion **CARRIED** unanimously.

BUSINESS FROM THE AUDIENCE: None.

BUSINESS FROM THE BOARD:

Review Process for General Manager Performance Evaluation and Discuss General Manager Performance Evaluation Form

Mike Eyster began the Board discussion by asking if the Board has looked at other districts and other best practices to see if there are other performance evaluation processes used. Mr. Eyster said that SUB's review process is different than other Boards that he has served on. Other Boards have requested input from other sources

such as soliciting input from other leaders in the community in regards to the Board's expectations regarding external relations. He also noted that SUB's process calls for the Board to provide individual feedback, but there's no consolidated feedback from the Board to the General Manager. It's also not clear, said Mr. Eyster, that the Board provides any written documentation to Mr. Nelson on his performance. In his experience these items are standard process on other public Boards, and he wanted to share that with the Board for their consideration. He also stressed that feedback to the General Manager is the most important thing that the Board can do.

General Manager Nelson suggested that the Board or an individual from the Board work with SUB's Human Resources (HR) Manager Janis Brew. Ms. Brew could then gather information on processes other utilities use when performing their General Manager performance evaluations; what type of form(s) they might use in their evaluation process; and do they get external feedback to know what the process is for other utilities. If the Board would like to broaden that to include the process of other non-utilities, that's also something that Ms. Brew could explore. Regarding feedback from community leaders, Mr. Nelson has participated in 180 degree surveys in the past and his experience is that 90% of the questions he can't answer, just because of the way the questions are presented. However, along those lines, he suggested the Board look at -what could SUB do better- from a Community Thought Leader perspective. Periodically, SUB does a Customer Service Survey and could also do a Community Thought Leader Survey, if the Board wishes, in order to get important feedback and to work on important issues together.

After discussion, Board Chair Willis proposed that he and Board Vice Chair DeWenter meet with HR Manager Janis Brew, to examine the current General Manager performance evaluation form and process. He also asked those Board members that have served on alternate Boards to share information they've gathered regarding this process and to send that information to Ms. Brew. Board consensus was for Board members to give their individual input to Ms. Brew with any ideas and comments, and to allow the Board three months to work on this, as proposed by Board Chair Willis, in order to have a better process in place and to begin the evaluation process in January instead of in July.

Joe Leahy, Attorney for the Board, advised the Board, once the Board approves a new General Manager's compensation contract, to

send it to SUB's attorneys for review before it's signed, to ensure clauses are consistent with contract law.

Other Business
from the Board

Pat Riggs-Henson shared an update from the 2017 APPA National Conference she attended in Orlando, Florida, in June. She has made notes on the conference and will get those to the Board soon. She also brought back a binder with copies of all the presentations from the conference, and offered those as a resource, if the Board is interested. Ms. Riggs-Henson also stated that there is an online access to all conference presentations on the APPA website, which she pointed out in her notes. She also said that, while at the conference, they handed out all kinds of items that could be useful and she would pass around a basket of those items to share with the Board.

BUSINESS FROM THE
GENERAL MANAGER:

Update on Springfield
Telecommunications
Enhancement Project

Jeff Nelson began his update by reminding the Board, at the July Board meeting, the Board consensus was to move telecommunications up on the priority list, in terms of services that SUB provides; and also approved General Manager Nelson to spend more time, as a SUB resource, to further explore high speed fiber.

Springfield Telecommunications Enhancement Project (STEP) review is something that SUB has reviewed periodically since SUB installed the fiber system, as well as what kind of evolution SUB wants to take with the telecommunications services that SUB provides. However, the coinciding of the effort that we do internally, plus a renewed effort on the City's behalf of the Springfield Look Economic Development; SUB may need to review how telecommunications fits into that overall process. He said a number of groups met, and one of those groups was telecommunications. They came up with a timeline which identified certain objectives and goals in that timeline. Fundamentally, what's happening at the City level, and because this is a community effort, it's basically an intersection of SUB's interest and the community's interest. Mr. Nelson explained that he's trying to get a pulse of what the community wants, as he gathers information, and then take that to the City Council since they want to get a better sense of what the City's roll is in all of this. The City is supposed to look at all of the items that they want to potentially pursue -

telecommunications being one of them- then review those in October. In the meantime, SUB is already proceeding forward, internally, doing a review of the things SUB can potentially do to enhance telecommunications, by making our process more efficient -the way we currently do business- which is just one element. Other elements include; the review of our policies, practices, and procedures; the City's ordinances, land use code, and development code; as these elements relate to potentially making recommendations to the City and to how they could potentially look at making some modifications to enhance telecommunications.

Mr. Nelson plans to make presentations on STEP to the City Club, Rotary, and the Springfield Chamber. He'll also talk about who SUB is, in case some of the folks attending those events don't know exactly who SUB is, as there might be a different audience attending those various events. The fact that SUB has Diamond status with APPA's level provider standard and that SUB is recognized as an Outstanding Provider with OHA, educating people about SUB is important to make sure that they're aware of who SUB is. Mr. Nelson explained, the audience for him, is not only the potential customers, but also the providers; because he wants to make sure if they work with us that they know who SUB is and what our track record is.

The fiber effort and SUB looked at what Eugene is doing, as a case study, and essentially as a starting point. How can SUB enhance open access and choice, while ensuring that every point along the way there is some sort of publicly controlled aspect of that service -so the internet providers have a publicly accessed system and there's competition and choice- rather than somewhere along those segments we hit a wall, potentially with a provider that is just providing that service and then we don't get as much competition as we'd like. That's one potential outcome -how do we enhance open access and choice? The other element that's emerging is speed; how do we get higher speed to the areas that need it? Even though, speed everywhere is not necessarily the optimal or the desired interest, one interest is just having access to the internet. A community effort to enhance the ability to have affordable access to some level of service, is also an important piece. You're going to have customers that need high speed; and you're going to have customers who don't necessarily need high speed but just have the need for internet access, itself. So, Mr. Nelson said, the issue is, how does SUB address that whole tapestry of interest.

The Board thanked Mr. Nelson for his update and expressed to him that the presentation previously presented to the Board on the future of power was a very impactful presentation. They urged Mr. Nelson to include it in some future conversations at community meetings, e.g. the City Club.

SUB Telecommunication Policy

Mr. Nelson referred the Board to SUB's Board Policy on telecommunications (Exhibit B). This is an opportunity for the Board to review the policy, think about potential changes in the policy, and/or for the Board to decide if the current policy is adequate. As the Board has more conversations, and as the community discussions evolve, there may be opportunities to make some necessary adjustments. The current policy was prepared by one of SUB's previous General Manager's, Steve Loveland.

After brief discussion, the Board requested that the policies shared with the Board show the effective date and/or revision date. General Manager Nelson added that if anyone has any suggestions regarding the current policy, they should send their suggestions to him, as well as to Board Chair Willis.

Rainbow Water District Strategic Plan

Jeff Nelson began his update by referring to the Rainbow Water District (RWD) 20-Year Strategic Vision (Exhibit C) for the Board's review. SUB's Board has an executive session scheduled for August 21, for a discussion regarding RWD. He wanted the Board to have RWD's strategic plan now, in order to have adequate time for review prior to the August 21st meeting. Mr. Nelson said that Board Vice Chair DeWenter had already sent him a request of information for this meeting. He explained that he doesn't have access to the requested information, but he will reach out to RWD Supervisor Jamie Porter, and hopefully he will have access to that information. Mr. Nelson encouraged the Board that if there is any information that the Board would like, specifically for the August 21st meeting, to please let him know now or sometime before that meeting.

After brief discussion, the Board consensus was to have Jeff Nelson send the Board the necessary agreements between SUB, RWD, and the City, prior to the August 21st meeting.

Upcoming Presentations

Mr. Nelson shared the following schedule of presenters for upcoming Board Meetings, as requested by the Board. He reminded the Board if they have any questions they'd like him to pose to any of the

presenters, in advance, to let him know so they may be prepared to include that as part of their presentations.

- Wednesday September 13, Scott Corwin (PPC) and Jennifer Joly (OMEU) will both be presenting. Mr. Corwin will focus on regional issues and Ms. Joly on state issues.
- Wednesday October 11, Terry Flores (NWRP) will be presenting. Ms. Flores will focus on F&W issues.
- Wednesday November 8, Kevin Farleigh (BPA Power) and Doug Johnson (BPA Transmission) will both be presenting.

Resolution to
Support H.R. 3144

General Manager Nelson shared that the Board received a draft resolution in support of House Resolution 3144 (H.R. 3144) and supporting documents (Exhibit D) for their consideration. Mr. Nelson then updated the Board that there's a regional effort, regarding having elected officials take a position of supporting H.R. 3144. The material that he provided to the Board was modified as to what other utilities have provided Pacific Power Council (PPC) and others. He wanted the Board to be aware that some elected officials are taking action and yet others are taking it under consideration for potential future action. For many years, SUB has been going to Washington, DC, in support for something be done regarding this issue. Now, finally, something is being done and this is an opportunity for the Board to take action, if they wish. He added that there are also upcoming presentations with information to give more insight to the Board on whether or not H.R. 3144 is something for SUB to take a position on or not. There are two parts, he explained, to taking an action: 1) to support in advance of the vote; 2) to support as a thank you for actually doing something – potentially, just to let those elected officials taking support know that SUB's Board appreciates their efforts, as they're getting some heat about what they're doing.

After discussion, the Board consensus was to hold off taking a position, at this time, in order to allow the Board more time for an in-depth review on this issue, so as to make an educated decision on whether or not to support H.R. 3144. Mr. Nelson will gather more information surrounding H.R. 3144 for the Board's review.

TEAM Springfield Update The date for the Joint Elected Official's (JEO) Midyear Social has been set for October 23, and will be hosted by the School District. The next regular TEAM Springfield meeting of the CAOs is scheduled

for August 23, at SUB.

ADJOURNMENT: The meeting was adjourned by consensus at 7:25 p.m.

David Willis, Board Chair

ATTEST:

Jeff Nelson, Board Secretary