

## SPRINGFIELD UTILITY BOARD

223 A STREET, SUITE F  
SPRINGFIELD, OR 97477

### MINUTES

January 9, 2019

The special session of the Springfield Utility Board was called to order by Chair Willis at 5:00 p.m.

**ATTENDANCE:** Board of Directors: David Willis, Chair; John DeWenter, Vice Chair; Pat Riggs-Henson; Virginia Lauritsen; Mike Eyster. Staff: Jeff Nelson; Bob Fondren; Sanjeev King; Greg Miller; Nick Amann; Janis Brew; Cindy Flaherty; Joe Leahy and Matt Dahlstrom, Attorneys for the Board. Others: None.

#### Discussion 2019 Board Tasks

Chair Willis explained that the Board consensus was to approve consolidation and modification of the Proposed 2019 Board Tasks at the December 12 Special Session. He then referred to the updated version of the 2019 Board Tasks (Exhibit A) that were distributed to the Board for review, and asked the Board if they had any other revisions they might want to make. John DeWenter stressed that the quarters listed for each task are flexible, depending on the progress made. The Board noted that it is important to communicate to the City that we are committing to support of the City's Economic Development Strategy. It was recommended to have SUB staff inventory all that SUB is doing in support of the City's Economic Development Strategy, and share that with the City.

- \* Mike Eyster motioned, and Virginia Lauritsen seconded, to approve the 2019 Board Tasks, as presented. This motion **CARRIED** unanimously.

#### SUB's Ratemaking Process

Jeff Nelson explained that SUB is obligated to have public notice and a public hearing for certain actions, including rate changes and budget adoption. When there is feedback from customers that one public hearing perhaps wasn't enough, and after consideration of the request, the Board moved forward with the practice of having two public hearings for ratemaking and for the annual budget. SUB also has a budget process with regards to the Budget Committee; there is the putting together of the proposed budget, and then meeting with the Budget Committee for deliberations on the proposed budget. Using this last year as an example, Mr. Nelson discussed the flow of how that process worked as a whole, we had two public hearings on the proposed budget, and we had two public hearings on the proposed water rate increase, and the water rate increase was effective January 1, 2019. The public hearings we

held, and the sequence we had, with that rate increase effective January 1<sup>st</sup>, has created another dynamic in which we are now informing customers somewhere after the fact that they utilize their consumption of water. In this case for the water rate increase, we are having to explain to customers that the Board has adopted the practice of prorating the charges based on their meter cycle and how many days have been in the month of December, versus January. The customers have expressed an issue that the Board's communication could be better, regarding the timing of the decision, and the rate action, as well as the communication to the customer of what the Board's final action was. Mr. Nelson said he feels the customers have a good point, and his recommendation to the Board is to keep the process we have, but in the case that the Board wants to have two public hearings on the proposed budget and rates in November and December, and if the Board were to adopt rates, that the rate increase not be effective until a month later, so that the communication could go out in the bill stuffers and there would be a period of time that the customers are aware before the rate increase takes action.

If the Board were to take action, well in advance of the rate action, then there would be no need to prorate the bill. If the Board did want to move in that direction, it would be easier, from a staff perspective, to not have to prorate the bill and that would be another benefit. With a proposed electric rate increase coming up, and if May 1, 2019, is the effective date, then we originally had scheduled public hearings for March and April, effective May 1, 2019. He added, if May 1, 2019, is still the target date that the Board is still wanting to look at for the rate increase, then we would want to hold the two public hearings in February and March, with an effective date of April 1, 2019, for all billing statements rendered on or after May 1, 2019. This would be his recommendation, going forward.

After discussion, Board consensus was to avoid the necessity to prorate, and approve the new ratemaking process by moving forward with the public hearings to be held in February and March, for the proposed electric rate increase, with an effective date of April 1, 2019, for all billing statements rendered on or after May 1, 2019.

#### Telecommunication Strategy

Mr. Nelson provided a presentation on how Springfield telecommunications has evolved. He explained that SUB needed a brand to speak to those outside, as well as inside, the Springfield community. SUB retained the services of the company, Awordsmith,

who has a history of working with tech companies on their brand names. The goal was to create a brand that not only SUB could use, but others could use. The brand needed to focus on Springfield, not just SUB, and create an “idea space” for telecommunications activities in Springfield. Mr. Nelson then referred to his overhead that showed the mark/brand and name. He explained that SUB camp up with the name, “Springfield Infinet” and then Awordsmith worked on creating the mark/brand to represent the name. SUB will manage the content of the internet landing page, Mr. Nelson noted, as detailed on his overhead.

Mr. Nelson reviewed potential examples of telecommunication services for the Springfield area: fiber to the home, fiber to the business, access to underserved areas, innovation hubs, economic development/new construction, and leveraging public assets.

After discussion, the Board was in agreement of the concept for a brand for telecommunications, and Board consensus was to go with the mark/brand and name, as presented.

ADJOURNMENT: The meeting was adjourned by consensus at 5:45 p.m.

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John DeWenter, Board Chair

ATTEST:

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Jeff Nelson, Board Secretary