

**SPRINGFIELD UTILITY BOARD**  
223 A STREET, SUITE F, SPRINGFIELD, OR 97477  
MINUTES  
September 12, 2018

The regular session of the Springfield Utility Board was called to order by Chair Willis at 6:10 p.m.

**ATTENDANCE:** Board of Directors: David Willis, Chair; John DeWenter, Vice Chair; Virginia Lauritsen; Mike Eyster; Pat Riggs-Henson. Staff: Jeff Nelson; Bob Fondren; Sanjeev King; Greg Miller; Bart McKee; Dave Embleton; Cindy Flaherty; Joe Leahy, Matt Dahlstrom, Attorneys for the Board. Others: Leon and Vickie Search.

**ACTION ITEMS:**

CONSENT AGENDA

- A. MINUTES: August 8 Mid-year Budget Committee Meeting, Regular Board Meeting, & Special Session
- B. ACCOUNTS PAID: August 2018
- C. BIDS/PROPOSALS:
  - C.1. Bid No. 22.18 for a Substation Transformer: The Electric Division staff recommended award of Bid No. 22.18 to Virginia Transformer Corporation, for the lowest bid meeting specification, for the amount of \$614,729.00 (Exhibit A).
  - C.2. Bid No. 25.18 for Underground Primary Cable: The Electric Division staff recommended award of Bid No. 25.18 to LS Cable & System USA c/o SML LLC, for the lowest bid meeting specification, for the amount of \$66,891.03 (Exhibit B).
  - C.3. Request to Increase Work Order #2-15703 for Rock and Trucks for Cedar Creek Project. The original engineered estimate was for \$40,985.00. The Water Division staff recommended approval of an increase of \$28,722.50 to the purchase order to Riverbend Materials for a total cost of \$69,707.50 (Exhibit C)
  - C.4. Request for Approval to Renew SUB's Project SHARE Agreement with Catholic Community Services of Lane County, for 2018-2020. Staff recommended approval to renew the 2-year Project SHARE agreement with Catholic Community Services. (Exhibit D)

\* Pat Riggs-Henson motioned, and Mike Eyster seconded, to approve the consent agenda, with suggested modification to delete "BPA, as well as" from the 2<sup>nd</sup> sentence of the 3<sup>rd</sup> paragraph on page 2 of the September 12 regular board meeting minutes. This motion **CARRIED** unanimously.

BUSINESS FROM  
THE AUDIENCE:

Leon Search, property owner of 3415 Main Street, Springfield, spoke against current Board Policies related to Special Development Charges (SDCs) / Development/Redevelopment Charges (DRCs) for customers/property owners to upgrade meters/transformers.

BUSINESS FROM  
THE BOARD:

Potential Board  
Action Following  
Executive Session

None at this time.

Board Committees Update

Vice Chair DeWenter shared a brief update on the Board Positions Committee. He and Virginia Lauritsen will be meeting on Friday, September 14, to discuss the Columbia River Treaty and environmental mitigation costs. They will have an update for the Board at the October board meeting. Mike Eyster shared that the Board Orientation Committee would have an update at the October board meeting, as well.

Additional Item

In light of the report, *SUB's Key Summer Events* (Exhibit E), recently shared with the Board, Vice Chair DeWenter wanted to extend the Board's compliments for doing such good work to all of the employees and volunteers who worked on the Light of Liberty July 4<sup>th</sup> celebration and fundraiser event.

BUSINESS FROM THE  
GENERAL MANAGER:

Additional Items

Jeff Nelson wanted to thank Leon Search for his comments tonight and explained that staff will meet to discuss his comments and to document his concerns in order to bring this issue back to the Board for its consideration.

Mr. Nelson shared a recent customer concern related to problems in reporting an outage through SUB's after-hours system. Bob Fondren explained that SUB has installed a new phone system that went live on August 9, 2018. This customer had called in about an outage and the customer call was dropped by the new phone system. If the phone lines were full, they should have received a busy signal. We are investigating this to be able to fix the problem. Mr. Fondren expressed his appreciation for this customer who took the time to let us know

that there was a problem, so we may address this important issue.

Discussion on Tiered Rates Jeff Nelson referred to his memo to the board (Exhibit F) and shared that this was an opportunity for any further discussion if the Board so wished. The Board had no further comment at this time.

Update on the City's Transportation System Plan Mr. Nelson referred to his memo to the board (Exhibit G) on the City of Springfield's Transportation System Plan. He explained that he spoke with the City and, to the City's credit, they are taking a closer look at the language issues in the transportation plan. If issues cannot be resolved prior to the City Council hearing, SUB will seek Board assistance on a political solution. If the political solution fails, SUB will likely seek Board support for legal action. However, Mr. Nelson said, he is optimistic that there will be an outcome that will meet the City's and SUB's interests.

Telecommunications Update and Outreach Concepts Mr. Nelson shared that, at last month's board meeting, the Board authorized SUB's general manager to execute exhibits for the Ambleside connected cluster with XSMedia. He explained that SUB has not executed that agreement, but we are still on track and moving forward with that.

He noted that he has been having discussions with SUB's Community Relations Manager Meredith Clark and with the Chamber's President and CEO Vonnie Mikkelsen regarding outreach concepts for telecommunications. We have a great set of tools to communicate internally within Springfield: TEAM Springfield newsletters, communications that happen with the City, as well as with the Chamber. There's many opportunities to help the community be aware of what we are doing and how we are moving forward with telecommunications within the community. However, we are taking another look at how we project ourselves outside of Springfield. We've retained an outside consultant out of Portland to explore outreach concepts while highlighting Springfield. The audience for that communication would be internet providers, businesses, policy makers, and decision makers to encourage interest in our telecommunications offerings in the Springfield community.

Update on Property  
Acquisition

Jeff Nelson said that last month the Board gave authorization to move forward with purchasing property at the MountainGate area. We have an agreement, pending the seller go through the process of removing some properties from the covenants, conditions, and restrictions that exist on some properties, as well as the removal of the homeowner's association. He explained that having those encumbrances on the lots wouldn't allow us to construct the facilities that SUB needs on those lots.

Joe Leahy added that the agreement has been agreed to, in principle. It's entirely consistent, as there were no significant deviations from the two subsequent versions that previously appeared before the Board. Mr. Leahy briefly discussed the logic behind having those lots that are included in the property purchase, removed from the homeowner's association.

Evaluation and  
Recommendation on  
Water Facilities Solution  
for 4<sup>th</sup> Level Service in  
the MountainGate Area

Bart McKee explained that there are two alternatives to provide domestic water services to the 4<sup>th</sup> level system for fire protection in Springfield's South Hills; 1) a dead-end booster pump system (fire flow capacity pump station) with no storage; 2) construct a 4<sup>th</sup> level storage reservoir and a pump station to fill it. Anytime a water system can have a storage, if storage is a viable option, it's always the preferred alternative. He explained that dead-end booster pump systems, especially if they are constructed to provide fire protection, are required to have redundant fire capacity pumps which are much larger pumps than what's required to fill a water reservoir. During a power outage, you would be entirely reliant on having a large enough generator to run the fire capacity pumps.

Mr. McKee shared that Murraysmith performed a recent analysis that determined that the least cost option for replacement of the existing 1.5 MG water reservoir would be the construction of two 0.75 MG water reservoirs. He then referred to his memo and property photos (Exhibit H) and shared further discussion with the Board. Staff recommends the 4<sup>th</sup> level water reservoir and fill pump station option rather than a dead-end fire booster pump station. The advantages of this option, from a system operation standpoint, would be a much more reliable, long term investment in the utility.

As SUB plans for these newer water facilities, noted Mr. McKee, there are plans for piping and space to replace the facilities that are being constructed now, but will ultimately have to be replaced sometime in the future. He said this is the key issue why we requested to purchase the extra property adjacent to the existing reservoir. This would allow us to construct a work area to properly maintain and replace the facilities at some point in the future.

Additional Item

Mr. McKee also discussed the potential underground development of upper level water services to the Natron area and the issues with the urban forest reserve in that area. Mr. McKee referred to a Google Map overhead (Exhibit I) and discussed the feasibility of constructing upper level services in the Natron area.

Future Agenda Items

Mr. Nelson wanted to ascertain if the Board felt it had achieved the priorities it established for the year.

Vice Chair DeWenter suggested that success would be having a board orientation policy in place, a clear understanding of what positions we would be taking with regards to the Columbia River Treaty and mitigating environmental costs, have suggestions for staff regarding SUB's emergency and disaster response, and map out the basic elements of our strategy for Rainbow Water District.

Jeff Nelson noted that quantum computer hacking with quantum computer events is something we could address at some time in the future, with regards to SUB's Emergency Operations Plan; and that solar flares have been rolled into SUB's emergency operations concept.

After discussion, the consensus of the Board was to schedule a work session, before the end of the year, to work on a list of the Board's milestones and evaluate if the Board has succeeded in meeting them.

TEAM Springfield Update

Jeff Nelson shared that the key presentation item for the October 8 Joint Elected Officials Annual Update Meeting is emergency response and disaster preparedness. Ken Vogeney with the City will be providing this presentation.

Ethics Review

Joe Leahy began his review on ethics by referring to the ethics packet (Exhibit J) that was distributed to the Board for its review. He noted that this packet of information covers ethics,

tort claims, defamation, public records and public meetings, and election laws. Tonight, in the interest of time, he would discuss only ethics, and then share some hypotheticals at the end of the training. Mr. Leahy then stated that if, at any time, anyone has questions related to ethics, he has listed his contact information, as well as contact information for Matt Dahlstrom, and Matt Cox, on page 14 of the ethics packet.

Mr. Leahy then referred to his overheads (Exhibit K) and explained that the bottom line is, whatever the Oregon Government Ethics Commission says, is what to comply with. He explained that everyone has their own moral code and ethics, but particularly the ethics that the Board is bound by are those that are set forth in the Oregon Revised Statutes (ORS) Chapter 244 and interpretations thereof by the Oregon Government Standards and Practices Commission. You are responsible for your own ethics and by your own ethics as public officials and public officers, those are the ethics of the Oregon Government Standards and Practices Statutes. You are responsible for complying with these standards required by the State of Oregon.

ORS Chapter 244 applies to a very narrow set of activities. It addresses exclusively the concept of financial disclosure, use of office for personal financial gain, and conflicts of interest. Mr. Leahy further discussed the use or attempted use of an official position for financial gain, as referenced in ORS 244.040(l), and referred to his overhead to review the 'But For' rule and exceptions to this rule, soliciting or receiving gifts. He explained that "gift" means something of economic value given to a public official, a candidate, or a relative, or member of the household of the public official or candidate, as referenced in ORS 244.020(7)(a). He reviewed a thorough list of exceptions to gifts such as gifts from a family member or relative, these are not a violation. Nor is it a violation when a Board member attends an event and is representing SUB, and it's important for the mission of SUB for you to be there; the admission, food, and entertainment, is not considered a gift – it is part of doing your job as a SUB Board member. Another exception is anything of economic value offered to or solicited or received by a public official or candidate, or a relative or member of the household of the public official or candidate, as part of the usual and customary practice of the person's private business. In example, if someone owns an insurance business and he or she is given an award for the amount of insurance written for the year, or for the excellent service to the customers for the

year; this would not be related to SUB's service in any respect, and would not be a violation of ethics. He added that a public official should make every effort to determine the value of any gift provided by individuals with an administrative or legislative interest in the area of the official's public responsibility.

Mr. Leahy also reviewed potential and actual conflict of interests, and explained that although distinctions may blur on occasion, it is important to be vigilant with your choices and responsibilities.

For reference for the Board, he referred to his overhead with contact information for Matt Dahlstrom, himself, and the Oregon Government Ethics Commission.

Mr. Leahy then reviewed eight hypothetical questions/situations to further instruct the Board on ethics as a public official or public officer.

ADJOURNMENT: The meeting was adjourned by consensus at 8:08 p.m.

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David Willis, Board Chair

ATTEST:

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Jeff Nelson, Board Secretary