SPRINGFIELD UTILITY BOARD
223 A STREET, SUITE F
SPRINGFIELD, OR 97477

MINUTES
September 11, 2019

The regular session of the Springfield Utility Board was called to order by Chair DeWenter at 6:00 p.m.

ATTENDANCE: Board: John DeWenter, Chair; Mike Eyster, Vice Chair; Robert Scherer; Pat Riggs-Henson; David Willis. Staff: Jeff Nelson; Sanjeev King; Greg Miller; Nick Amann; Bart McKee; Janis Brew; Cindy Flaherty; Matt Dahlstrom, Attorney for the Board. Others: Steve Moe, Springfield City Council and SUB Budget Committee; Roy Warner, City of Springfield.

ACTION ITEMS:

CONSENT AGENDA

1. MINUTES:
   1.a. August 2 Board Retreat Work Session
   1.b. August 14 Mid-Year Budget Committee Meeting

2. ACCOUNTS PAID: August 2019

3. ADOPTION/APPROVAL OF RESOLUTION/SPECIAL PROCUREMENTS:
   3.a. RFP 16.19, On Call Service Truck (Exhibit A):

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

BUSINESS FROM THE AUDIENCE: None.

BUSINESS FROM THE BOARD:

Discussion of Budget Committee Meetings: Brief discussion was shared regarding the process for scheduling Budget Committee meetings for deliberations on the 2020 proposed budget. It was noted that once the Budget Committee’s availability is received, the Board would then consider approving two dates for these meetings at the October 9 Board meeting.
General Manager Contract

Chair DeWenter shared an update on the general manager contract. He and Vice Chair Eyster recently met with legal counsel to discuss the contract legal provisions, as well as with Human Resource Manager Janis Brew to discuss data being gathered for comparative information as related to the general manager contract. Ms. Brew will be providing additional information, as well as condensing data provided in a 40 page survey from Milliman Consulting. Ultimately, the full survey will be provided to the members of the Board, along with a condensed summary of the more relevant portions of the survey. Chair DeWenter noted that the current target date to get a proposed contract to the Board for approval is November. He explained that he and Vice Chair Eyster may need to meet with Ms. Brew one more time, before presenting an outline for a proposed contract to Jeff Nelson for his review and consideration, with the hope to reach a mutual agreement in order to take it to legal counsel to prepare a final contract.

After discussion, Board consensus was for Chair DeWenter and Vice Chair Eyster to move forward with this process, and to meet with General Manager Nelson to discuss terms as related to a proposed general manager contract, to potentially reach a resolution that could be brought before the Board.

Preparation for TEAM Springfield Joint Elected Officials Annual Meeting

Chair DeWenter reviewed current preparations for the TEAM Springfield Joint Elected Officials (JEO) Annual Meeting to be held on October 16, 5:30 – 8:00 p.m. at the City. The next TEAM Springfield Chief Administrative Officers and Chief Elected Officials meeting is scheduled for September 18, 3:00 – 4:30 p.m. at the City. Chair DeWenter reviewed packet materials to be provided for the JEO Annual Meeting.

Board Member Updates

Chair DeWenter asked for Board member updates. Robert Scherer shared that he attended the Special Districts Board of Directors training in Cottage Grove on August 22. At this training he was introduced to Marla Casley, Board of Commissioners, RWD, and was pleased to have the opportunity to learn more about RWD.
David Willis gave a report on his recent tour of the City of Bend’s Water Filtration Facility. He referred to his handouts (Exhibit B) and noted that Bend is one of three cities in Oregon to have membrane treatment plants; Cottage Grove and Newport being the others.

Potential Items for Future Board Agendas

Chair DeWenter asked for any other items for future agendas. He assured the Board that work is progressing on the McKenzie Water Source as a future agenda item, previously requested by Robert Scherer.

BUSINESS FROM THE GENERAL MANAGER:

ADDITIONAL ITEMS

Accounts Paid Listing

In response to the inquiry by Chair DeWenter regarding the Aspen Incorporated line item in the accounts paid listing, Jeff Nelson asked Sanjeev King to share explanation of this line item.

Sanjeev King explained that Aspen is the name of the protection software used by the Electric Division in coordinating the transmission system and distribution system.

Update on SUB’s Employee Tours

Mr. Nelson shared that the dates for the next two employee tours will be September 26, and October 29. Tours begin at 8:00 a.m. and conclude by 4:30 p.m., with lunch provided. He asked Board members to negotiate between themselves and to let him know if anyone has an interest in participating in either of these tours.

Discussion on New LED Lights

Pat Riggs-Henson stated there are some new LED lights in her neighborhood and expressed concern about how bright the new lights are.

Following brief discussion, it was determined that these are private lights which is a service that SUB provides. Sanjeev King explained, SUB does have private lights, but some customers install their own lights. One option that Ms. Riggs-Henson and her neighbors might pursue, Mr. Nelson suggested, would be to contact the City to look at their
landscape standards and lighting standards to see if there is a way to address the issue. He added that SUB has installed shields on some private lights for customers who were not excited about a change in the lighting profile adjacent to them. Another option, said Mr. Nelson, would be to reach out to the private entity and try to work with them on the lighting issue.

Presentation on Downtown/Glenwood Voltage Conversion

Referring to his overheads (Exhibit C) and the outline for his presentation, Sanjeev King shared that his goal was to provide an understanding of the present situation in downtown Springfield, and also to inspire an awareness of the challenges going forward, in order to help provide some guidance to staff.

Mr. King shared a brief review of power system terminology to help clarify the use of the terms primary and secondary voltage in the distribution system. He explained that voltage in the power system can be characterized by its relative magnitude. When referring to voltage conversion in the distribution system, often times it refers to primary voltage. However, in the case of addressing the voltage conversion in downtown Springfield, it’s a secondary voltage issue. The secondary voltage is the lower voltage used for service for residences and businesses. He explained that the primary voltage has to do with the other side of the transformer. Transformers are the devices (typically, gray and cylindrical devices) that converts primary voltage to the secondary voltage to use in residences and businesses. Mr. King then shared information on the difference of a single-phase transformer versus three-phase transformer. In an overhead single-phase system, there will be just one transformer on the pole. In an overhead three-phase system there will be more than one transformer, typically three. There are ways to configure three-phase from two transformers, but the key point is that there will be more than one transformer on a pole. He explained that commercial and industrial areas are often three-phase, as they have greater power needs.

Mr. King then explained that the two most common systems are delta and grounded-Y secondary voltage, and are only applicable in three-phase systems. In an overhead system you have the ability to move the wires around the overhead
system to provide delta or a grounded-Y service. It is very uncommon to be able to purchase a three-phase padmount transformer with a delta voltage, as the standard three-phase padmount transformer, typically, comes with a grounded-Y system. He explained, with an overhead system wires can go either way fairly easily, but cannot with a padmount system.

Voltage drop is a function of load, as related to how much power is being consumed. The secondary conductor size (the wire that goes from the transformer to the load), Mr. King clarified, the further the distance from the transformer, the greater the load; so if you add load further away, and you don’t increase the wire size, the voltage will be lower than what is acceptable by the customer. When this occurs, a situation will be created where the customer's equipment won’t run properly. He noted that a voltage drop problem is also known as a power quality problem.

Mr. King referred to his overhead detailing the history of downtown. In the mid-1970s poles along alleys were removed and replaced with submersible transformers to mimic an overhead system, and three-phase delta secondary and single-phase remained. In 1999, submersible transformers were replaced with standard single-phase padmount transformers banked to mimic an overhead system; three-phase delta secondary and single-phase remained. This is the only area in SUB's system where we provide three-phase delta service with single-phase padmount transformers. There are numerous locations in SUB's system where three-phase delta service is provided from the overhead system; for example, in Glenwood. Because these three-phase services had to be provided in downtown, they set single-phase transformers side-by-side and then tied them together underground, similar to what you would do in an overhead system. In this way, customers maintained their delta service and their single-phase by banking together these padmount transformers. Although, he explained, you can get a bigger load with this type of system, but it’s still not going to give you the flexibility for growth. With the three-phase padmount transformers with a grounded-y, there’s more room for growth and flexibility as loads develop, to go larger and larger, because they’re made for the larger three-phase loads.
Mr. King then discussed the voltage problem and the challenges SUB is facing with the present situation in downtown Springfield, steps that SUB has taken, its proposed phased approach to the conversion, and the challenges as related to providing fiber to downtown. In order to increase capacity downtown, SUB and customer infrastructure will need to be converted from delta to grounded-Y service. He then shared a couple of his overhead images, and discussed the challenges of an existing three-phase padmount transformer, as well as utility demarcation challenges.

He also reviewed the potential voltage conversion framework/process, and how that might affect building users and property owners. If the City deems the property owners have to bring certain things up to code, we will all be involved in that process. SUB could retain a third party electrician to reach out to affected building users and property owners to explore and identify issues related to conversion on the customer side of the meter.

The Board discussed potential property owner issues and the importance of a coordinated effort with the City as related to the downtown voltage problem. The Board invited comment from City Councilor Steve Moe. Councilor Moe noted that the City met with SUB at a meeting last week. It was the intent of the City to gather all the facts together, from both sides, explained Councilor Moe, and to consider what the property owners may have to do. He emphasized that it will be his charge to take this issue to the Mayor.

The Board thanked Councilor Moe for his comments and thanked Mr. King for an informative presentation.

Affordability Metrics Review

Jeff Nelson provided the Board with a memo on Affordability Analysis (Exhibit D) with a recommendation on page two under Next Steps of his memo. He explained that the purpose of the affordability study was to provide a recommendation to the Board regarding an additional component related to measuring affordability. Board consensus was for the General Manager to move forward with Next Steps option 1) Hours worked at minimum wage to pay for a monthly bill and the EPA methodology.
Customer Bill Payment Assistance – Project Share

Jeff Nelson shared that he expects to provide an agreement for the Board to review next month. This will be to propose a modification to the current Project Share contract.

Productivity Incentive Program

Jeff Nelson provided additional information with his memo to the Board on SUB’s Productivity Incentive Program (Exhibit E), in order to let the Board know that work is progressing on addressing their questions. It is planned to have further discussion at a future board meeting.

ADJOURNMENT:

The meeting was adjourned by consensus at 7:30 p.m.

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John DeWenter, Board Chair          Date

ATTEST:

Jeff Nelson, Board Secretary