

June 20 – Springfield Utility Board Directors Meeting

The directors of the Springfield Utility Board held a special public meeting at the June 20 City Club program. This was an opportunity taken by the Board to allow for greater public input and dialogue than is customary in the regular Board meetings, which allow only for limited public comment and no response from Board members.

While each Board member gave a brief presentation, the bulk of the program focused on questions from the audience.



Economic Development was a focus of many of the questions. The Board pointed to its low rates as a strong support of economic development. It pointed to an Oregon PUC report which said SUB's residential rates averaged 6.38 cents per kilowatt hour, while EWEB's rate is 10.57 cents. The Board said commercial industrial rates are close, but that SUB, at 6.38 cents per kilowatt hour still compared favorably with EWEB's rate of 6.99 cents per kilowatt hour. The Directors demurred on granting credits for connection charges and other major credits to induce new development, pointing to the reality that

because rates are kept low awarding such credits would adversely impact other customers – the costs need to be covered. Members of the Board noted that SUB is a utility, not a general government, and thus has a responsibility that is different in terms of active support of economic development.

Members of the Board noted that once SUB discovered that Glenwood had inadequate electric resources to support major new development, it began planning for installation of a new substation, so that it could respond should a development proposal that needed more service arise, but that it was not sound to invest in a new substation in the absence of a real need. They also noted that SUB is seeking to incentivize use of a dark fiber ring it has installed for its purposes by private telecommunications providers to help improve quality of advanced telecom while keeping prices down.

In many cases, the directors observed that they need to follow the City's lead since the SUB purpose and mission are limited, unlike the City's. They are very concerned about "mission creep." While they support Project Share, which uses funds from the Light of Liberty celebration to support low-income customers in paying for power, and are exploring ways to extend that help to water users, that the problems of assuring adequate services for low-income residents is a general government concern, not an issue for the utility to solve.

In response to a question about how residents keep informed in emergency situations, the Board indicated its staff focused on evaluation of damage to their system and restoration and was without resources to provide communication not residents should local media outlets not be responsive. SUB does have mutual aid agreements in place with other Lane County utilities, and with regional utilities so that resources can be allocated to the greatest need in the event of major disasters, but SUB's focus always remains on its own customers.

In describing the existing SUB system, it noted that all electricity is purchased from the Bonneville Power Authority, which means SUB rates are sensitive to issues affecting BPA. For example, 35 percent of the cost of power purchased from BPA is spent of dealing with fisheries issues and mitigation of adverse impacts to fisheries caused by BPA. Water is now derived from two sources. First, wells on the north side of the City, mainly in the area of the “Oxbow” of the McKenzie near Weyerhaeuser and on the south side adjacent to the Middle Fork of the Willamette. The second major source is withdrawal from the Middle Fork near the existing well heads. While SUB has a substantial water right on the McKenzie, it has not yet implemented that right, but expects to do so in about the next seven years.

In response to a question, the Directors said that staff are closely monitoring wells in the Oxbow area to make sure that a pollutant plume from old activities at Weyerhaeuser do not adversely affect the supply.

