

Problems in the 'PUD

Controversy plagues local utility

Something is going on at Emerald People's Utility District (EPUD). Political intrigue, disgruntled former employees and allegations of shady financial dealings have hounded the utility for the past several months. EPUD's General Manager Frank Lambe is under fire, the organization is embroiled in controversy, and the longest serving board member, Katherine Schacht, is accused of abusing her position.

EPUD started in October of 1970 when a small group of dissatisfied Pacific Power and Light customers got together to talk about their ever-increasing electricity rates, at times almost twice as much as that charged by publicly owned utilities in Lane County. That marked the beginning of a 13-year legal battle that ultimately ended in 1983 with PP&L agreeing to sell its facilities to EPUD and hand over control of the territory.

In the years since then, EPUD gained a reputation for taking on controversial issues and providing superb customer service. For many years Emerald ranked among Oregon's top 100 workplaces and was considered a model public utility. Employees characterized it as a family, one of the best places to work in the entire state.

But the glory days of old have come to an end, or so it seems.

In the past several months Emerald has come under scrutiny from all sides: for sanctioning the longest serving member of its board, for the failed annexation of another board member's property, for accusations of low employee morale and a toxic work environment, for the competency of its general manager and a laundry list of other issues. One former employee even formed a watchdog group, Ratepayers for a Responsible EPUD (RREPUD), and has contested just about every move the utility has made in recent months.

In turn, the utility claims that a handful of disgruntled employees, terminated for performance and behavior issues, have been dragging its name through the mud, opposing everything the utility does and

refusing to listen to reason, even when the evidence is right in front of them.

Our story starts on July 12, when the EPUD board voted to sanction their vice president, Katherine Schacht.

Schacht has served on the EPUD board for 23 years, the longest serving member by a long shot. Although characterized as a respectful professional by former employees, board minutes show she was also not afraid to ask tough questions and demand answers.

The report compiled in May by Eileen Eakins, an attorney for the Special Districts Association of Oregon, described Schacht slightly differently: "Board member Katherine Schacht is generally feared and mistrusted. No one that I spoke with mentioned having witnessed someone being terminated due to Katherine's influence, but nearly every senior staff member lives in fear of this occurring."

"Board member Schacht appears to be in an ongoing power struggle with (General Manager) Frank Lambe," the report adds. "And will bully him or undermine his authority ... several of those interviewed have witnessed Katherine Schacht 'yelling, screaming, and cursing' at Frank, particularly after drinking."

The report was instigated by Lambe, who requested that the SDAO investigate the allegedly hostile work environment created by Schacht, as well as potential ethics violations stemming from her alleged attempts to advance the career of her daughter, Sandy Marr, an EPUD employee currently working in the customer service department. Schacht has denied the allegation.

The report ultimately led the board to sanction Schacht and strip her of her vice presidency during the July 12 meeting. Lambe also filed a complaint with the Oregon Government Ethics Commission regarding Schacht's interactions with employees about her daughter. Not everyone agrees with these accusations however.

"I supervised Katherine's daughter for

10 years, and interacted with Katherine for most of the 18 years I was there," said Joe Savage, a former Energy Services supervisor who retired from the utility in April 2009 after his department was consolidated. "I found her to be very professional, never asking for any special favors for her daughter, whom I supervised."

"I never felt any hostility from Katherine in any way," he said. "It was a very straight-up relationship." He added, "In my opinion, if there's a hostile work environment at EPUD, it's not from the board."

The utility's turnover history makes for an interesting read. From January 2001 (when Lambe was hired) to 2011, 17 employees retired, seven resigned and 16 were terminated (the utility claims four of the terminations were drug-related). This is in contrast with the time period from 1992-2000, when three employees retired, seven resigned and one was terminated.

Utility officials have expressed frustration that nobody asks current employees what they think about working at Emerald, instead focusing their attention on a small group of former employees who they claim have a personal vendetta

'As far as I'm concerned, the place is corrupt.'

— DAN YARR, FORMER EPUD LINEMAN

"They're pointing the fingers at the people who are asking the questions," said Pam Hewitt, a former employee and the creator of RREPUD, the watchdog group. "[Schacht] was concerned about financial decisions, [Lambe's] competency, customer's interests, and she went into protection mode when she realized, 'Wow, these people are really out to get me.'"

Hewitt was referring to the often tenuous relationship between Schacht and Lambe, as the two were regularly at odds regarding policy decisions, with Schacht frequently questioning Lambe's recommendations and wanting more information.

"(Lambe) is the main one creating a hostile work environment there," said Dan Yarr, a former EPUD lineman who was terminated in 2006 for violating safety regulations, charges he says were exaggerated. "All my friends there are saying they hate it there, but they're afraid to speak out ... as far as I'm concerned, the place is corrupt."

against the organization.

"I find it ironic that the media has only focused on reports from past employees and past Board members," said Hillary McBride, EPUD community relations officer, via email. "If you talked to current staff, you would hear something quite different."

In a letter published in *The Register-Guard* July 18, Sandra Anderson, a business analyst for Emerald, attests that EPUD is actually a nice place to work: "Because of General Manager Frank Lambe and the other managers at EPUD, I have always felt empowered. I have been able to grow my career, and I hope to retire from EPUD ... if someone took the time to talk to current EPUD employees, they would find a positive, dedicated group of people."

Others are not convinced.

"It smells; it stinks," said Jim Weaver, a former Oregon congressman and one of the founders of EPUD. "The whole thing stinks ... I think there's something rotten going on in the state of EPUD." **EW**

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