

EUGENE WATER & ELECTRIC BOARD
EXECUTIVE SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
JULY 21, 2015
4:30 P.M.

Commissioners Present: Steve Mital, President, John Simpson, Vice President, Dick Helgeson, James Manning and John Brown

President Mital adjourned the Executive Session meeting at 4:30 p.m.

Others Present: General Manager Roger Gray, Laurie Muggy, Lena Kostopulos, Brad Taylor, Todd Simmons, Mike McCann, Sue Fahey, Mark Freeman and Taryn Johnson of EWEB staff and Julie Sorric and Doug DeAngelis of MODA Insurance.

President Mital called the Executive Session meeting of the EWEB Board of Directors to order pursuant to ORS 192.660(2)(d) at 4:15 p.m. to deliberate with persons designated by the governing body to carry on labor negotiations.

President Mital adjourned the Executive Session meeting at 5:00 p.m.

President Mital called the Executive Session meeting of the EWEB Board of Directors to order pursuant to ORS 192.660(2)(e) at 5:00 p.m. to deliberate with persons governed by the governing body to negotiate real property transactions.

Others Present: General Manager Roger Gray, Mike McCann, Sue Fahey, Patty Boyle, Roger Kline, Erin Erben, Dave Churchman and Taryn Johnson of EWEB staff.

President Mital adjourned the Executive Session meeting at 5:15 p.m.

President Mital called the Executive Session meeting of the EWEB Board of Directors to order pursuant to ORS 192.660(2)(f) to consider information exempt by law from public inspection and ORS 192.660(2)(h) at 8:10 p.m. to consult with legal counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.

Others Present: General Manager Roger Gray, Mike McCann, Sue Fahey, Patty Boyle, Roger Kline, Erin Erben, Dave Churchman, Steve Newcomb, Mel Damewood, Mark Zinniker, Lance Robertson and Taryn Johnson of EWEB staff. General Counsel Eric DeFrest of Luvaas Cobb and Special Counsel James Kincaid of Cable Huston.

President Mital adjourned the Executive Session meeting at 9:05 p.m.

Assistant Secretary

President

**RESOLUTION NO. 1522
AUGUST 2015**

**EUGENE WATER & ELECTRIC BOARD
A RESOLUTION DECLARING PUBLIC NEED TO ACQUIRE PROPERTY NECESSARY
FOR THE WILLAMETTE PLANT PROJECT**

WHEREAS, the above-entitled matter came before the Board of Commissioners of the Eugene Water and Electric Board (“EWEB”) at its regular meeting on August 4, 2015; and

WHEREAS, the Board has considered the Alternate Water Source Project which includes, but is not limited to, the acquisition of property abutting or in close proximity to the Willamette River to locate, design and construct a potable Water Treatment Plant, a river intake, raw water and finished water pipelines, pumping, storage and other necessary water system facilities (i.e. Willamette Plant) to enable EWEB to utilize existing water rights to provide redundancy and reliability to EWEB system users; and

WHEREAS, it appears to the Board that EWEB has authority under its Section 44 of the Eugene Charter, ORS 223.010, ORS 225.020, and Chapter 35 to acquire real property by purchase or condemnation proceedings; and

WHEREAS, the Board determines that it is consistent with the powers and purposes of EWEB and necessary for the continued growth, safety and welfare of EWEB, as well as its wholesale customers, now or hereafter existing, that fee title to necessary properties as well as necessary rights-of-way and easements be acquired to implement the Willamette Plant Project; and

WHEREAS, after investigation of the alternative sites and the most effective and economic method of service delivery, the Board has determined that the proposed Willamette Plant Project and selection of the properties set forth on Exhibit 1, attached hereto and incorporated by reference, is planned and located in a manner which is most compatible with the greatest public benefit and causes the least private injury; and

WHEREAS, the Board finds there are adequate funds budgeted and available to acquire the subject properties (per approved 2015 Capital Budget as amended with Budget Amendment #1 approved on May 5, 2015), and being fully advised,

NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF COMMISSIONERS:

1. It is necessary for the preservation of public health, safety, and welfare of EWEB, that EWEB, start the acquisition process for the necessary property for the Willamette Plant Project as shown on Exhibit 1, attached hereto and incorporated by reference, through exercise of the power of eminent domain;

2. That EWEB Staff and Counsel are authorized to obtain real estate appraisers, negotiators other consultants with said appraisals to be prepared under the auspices of EWEB Counsel and submitted to said office for initiation of proceedings as described below;

3. EWEB shall in good faith attempt to negotiate a purchase and sale agreement to acquire fee title to provide just compensation with affected property owners for the designated properties. EWEB Staff and Counsel are authorized to complete negotiations with the property owners. The Board recognizes that there is a reasonable likelihood that formal litigation will be necessary and hereby authorizes EWEB Staff and Counsel to file a complaint in condemnation, take other steps as they determine necessary and prosecute to final determination such action to acquire fee title to the identified properties described herein if negotiations fail.

4. That upon the trial of any suit or action instituted to acquire the Acquisition Property, the attorneys acting for and on behalf of the EWEB are authorized to make such stipulation, agreement or admission as in their judgment may be for the best interest of the EWEB and to take possession of the Acquisition Properties at such time as appropriate in their judgment without necessity of further Board approval.

Adopted at a meeting of the Eugene Water & Electric Board on August 4, 2015.

THE CITY OF EUGENE,
OREGON Acting by and through the
EUGENE WATER & ELECTRIC BOARD

President

I, TARYN M. JOHNSON the duly appointed, qualified and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its August 4, 2015 Regular Board Meeting.

Assistant Secretary

Resolution 1522 Exhibit 1

Date: 8/3/2015

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0.1 Miles



**RESOLUTION 1523
AUGUST 2015**

**EUGENE WATER & ELECTRIC BOARD
A RESOLUTION RATIFYING PROPOSED EXCHANGE OF REAL PROPERTY FOR
THE WILLAMETTE PLANT PROJECT**

WHEREAS, the above-entitled matter came before the Board of Commissioners of the Eugene Water and Electric Board (“EWEB”) at its regular meeting on August 4, 2015; and

WHEREAS, the Board has considered the Willamette Plant Project which includes, but is not limited to, the acquisition of property abutting or in close proximity to the Willamette River to locate, design and construct a potable Water Treatment Plant, a river intake, raw water and finished water pipelines, pumping, storage and other necessary water system facilities (i.e. Willamette Plant) to enable EWEB to utilize existing water rights to provide redundancy and reliability to EWEB system users; and

WHEREAS, the Board has authority under Section 44 of the Eugene Charter, ORS 225.020, and ORS 271.310 to acquire real property by purchase and exchange; and

WHEREAS, the EWEB Staff have developed an Exchange Agreement for Real Property dated May 21, 2014, by negotiation with Wildish Land Co. which is subject to Board approval; and

WHEREAS, ORS 271.310 grants EWEB the authority to exchange EWEB-owned real property with a private entity when the public interest may be furthered by an exchange of property that is of equal or superior useful value for public use (see Exhibit 1); and

WHEREAS, the Board has considered the relative useful values of the described real property and find that the transaction described in the Exchange Agreement for Real Property furthers the public interest and provides EWEB with property that is of equal or superior useful value for public use, including facilitation of the Willamette Plant Project; and

WHEREAS, the anticipated property lot line adjustments have been recorded as of July 20, 2015, and the parties have completed due diligence inspections of the real properties to respectively be exchanged; and

WHEREAS, the parties have informally adjusted the financial aspects of the exchange during the course of due diligence and propose to amend the Exchange Agreement prior to the close of escrow, as detailed in Exhibit 2, and

WHEREAS, the Board finds there are adequate funds budgeted and available to pay additional cash consideration together with the exchange of subject real properties, and being fully advised,

THEREFORE, BE IT RESOLVED, that the Eugene Water & Electric Board hereby finds that the Exchange Agreement of Real Property, as proposed to be amended in accordance with Exhibit 2, provides EWEB with real property that is of equal or superior useful value for public use, including practical location and geotechnical qualities, and thereby the public interest is furthered by the exchange. The real property to be received by EWEB is of equal or superior useful value because it is expected to facilitate the timely development of the Willamette Plant Project enabling less dependence upon the McKenzie River and facilities drawing therefrom, provide an alternative source of quality water and improve water reliability for all EWEB customers. The Board hereby ratifies the Exchange Agreement with the understanding that the staff amendments, detailed in Exhibit 2, will be incorporated in the final documentation before close of escrow. The EWEB Staff and Counsel are authorized to complete the exchange transactions, including transfer of cash consideration, through close of escrow without necessity of further Board approval. The General Manager is authorized to execute all documents to complete the exchange.

Adopted at a meeting of the Eugene Water & Electric Board on August 4, 2015.

THE CITY OF EUGENE,
OREGON Acting by and through the
EUGENE WATER & ELECTRIC BOARD

President

I, TARYN M. JOHNSON the duly appointed, qualified and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its August 4, 2015 Regular Board Meeting.

Assistant Secretary

Resolution 1523 Exhibit 1

Date: 8/3/2015

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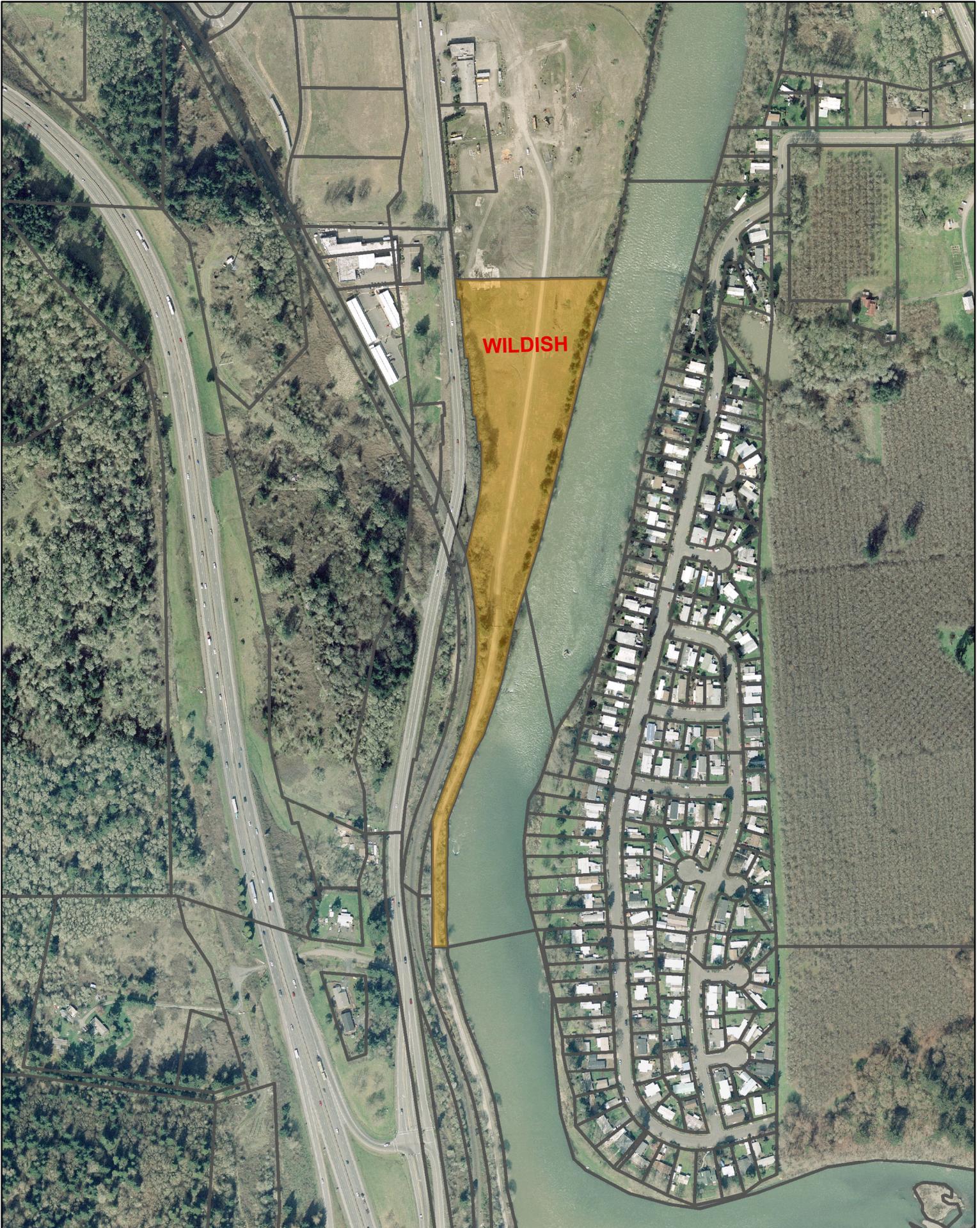


Exhibit #2
EWEB Resolution No. 1523

Negotiated Amendments to Exchange Agreement for Real Property dated May 21, 2014

Below are the calculations for the original amount of the Wildish property

TL 3300	1.4 acres	\$110,000
TL 3800	1.5 acres	6,000
The permanent easement on the west side of McVay Hwy	6,656 sq.ft.	6,656
The construction easement on the west side of McVay Hwy	3,334 sq.ft.	6,668
The permanent easement under the BPA power line	10,823 sq.ft.	4,735
The construction easement under the BPA power line	5,440 sq.ft.	4,760
The permanent easement in the riparian area	36,320 sq.ft.	7,945
The access easement across Tax Lot 3200	15,262 sq.ft.	13,355
The access easement across Tax Lot 3300	3,863 sq.ft.	0
		160,119
		(Use \$160,000 per Agmt.)

These calculations reflect an increase in the size of the parcel Wildish will be conveying to EWEB.

Tract 1 (adjusted TL No. 3200)	30.9 Acres	----
Tract 2 (adjusted TL No. 3300)	2.13 Acres	167,357
Tract 3 (adjusted TL No. 3800)	1.50 Acres	6,000
Permanent water line easement under BPA Easement	10,597 sq. ft.	4,630
Temporary construction easement under BPA Easement	5,324 sq. ft.	4,660
Permanent waterline easement within riparian area	30,567 sq. ft.	6,695
Access easement within Tract 1	13,446 sq. ft.	11,765
Access easement within Tract 2	5,678 sq. ft.	0
Permanent easement on west side of McVay Hwy.	6,656 sq. ft.	6,656
Construction easement on west side of McVay Hwy.	3,334 sq. ft.	6,668
		214,431

Note the difference between the two values (\$160,000 is a rounded number used within the exchange agreement) \$54,431

In addition EWEB has agreed to pay Wildish to repair a large hole which was the result of our tire removal project, part of the cleanup necessary on EWEB's Jordan Pit Site. That cost is \$7,365.

Together EWEB would amend the Exchange Agreement to pay Wildish partial cash consideration in the amount of \$61,796 to close the transaction.