

EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
McKENZIE FIRE & RESCUE TRAINING CENTER
SEPTEMBER 1, 2015
6:00 P.M.

Commissioners Present: Steve Mital, President and John Simpson, Vice President. John Brown and Dick Helgeson were excused.

Others Present: Roger Gray, Mel Damewood, Mike McCann, Sue Fahey, Frank Lawson, Steve Newcomb, Todd Simmons, Jeannine Parisi, Mark Freeman, Karl Morgenstern, Brad Taylor, Nancy Toth, Mark Zinniker, Joe Harwood, Wally McCullough, Lena Kostopulos, Dave Churchman, Brea Bach, and Anne Kah of the EWEB staff; Vicki Maxon, Recorder.

President Mital convened the Regular Session of the Eugene Water & Electric Board (EWEB) at 6:00 p.m. He thanked McKenzie Fire & Rescue Training Center staff for the use of their building and thanked the upriver residents for attending.

He then introduced himself and Commissioner Simpson and noted that Commissioner Manning will be late.

AGENDA CHECK

There were no comments.

RIVER CONDITIONS AND HYDRO GENERATION

With the aid of overheads, Mike McCann, Generation & Fleet Manager, and Brad Taylor, Water Operations Manager, presented the above information.

Vice President Simpson asked Mr. Taylor elaborate on the color water alert system and its results. Mr. Taylor said staff is very pleased with the results, with voluntary curtailment because of being more mindful of low river levels and the prolonged hot weather. He noted that the color alert system was largely developed because of the desire to do the right thing as a water provider and make people aware that any use of water has impact on the river (i.e., even washing a car).

Vice President Simpson asked about fire suppression ability in the event of a fire in the South Hills. Mr. Taylor replied that water system hydraulics would be challenged because of the elevation in the South Hills.

President Mital noted that several small towns near Eugene imposed water curtailments, and he wondered if that caused more scrutiny on EWEB for not curtailing water, even though EWEB's water limit was far from being reached. Mr. Taylor replied that current agency doctrines govern EWEB's water limits unless there court-mandated changes occur.

President Mital then asked for questions from the audience.

Judy Olson asked what percentage of hydroelectric power is generated by the McKenzie River. Mr. McCann replied that about 30% is generated daily from the McKenzie, with most generated from the Carmen-Smith project. He added that EWEB buys most of its power from the Bonneville Power Administration (BPA) and that Leaburg Power Plant is the next largest generator of power and WALTERVILLE Power Plant the smallest, and that EWEB owns two small hydroelectric projects, one in Northern Idaho and one outside of Portland on the Clackamas River, which were bought in the late 1980s/early 1990s.

Terry Liittschwager then asked where the 1,050 cubic feet/second (cfs) flow level is applied. Mr. McCann explained that it is applied immediately downstream of Leaburg Dam, and he briefly explained the Federal Energy Regulatory Commission (FERC) licensing process. The same person noted that his river gauge has shown fluctuations throughout the night and into the morning and that early morning levels are some of the lowest he has ever seen. Mr. McCann noted that EWEB's in-stream requirement is 1,000 cfs so staff tries to maintain it at 1,050 cfs.

Vice President Simpson asked Mr. McCann to briefly speak to regional hydroelectric issues. Mr. McCann noted that hydroelectric plants in California have suffered immensely with some plants off line all year due to having no water from which to operate, and that Washington hydroelectric plants have been affected by forest fires, with the Skagit plant completely shut down last week due to a major forest fire in that area.

LEABURG ROLL GATE REPAIR UPDATE

With the aid of overheads and photos, Mel Damewood, Engineering Manager, and Mark Zinniker, Generation Supervisor, presented the above update and answered clarifying questions and comments from the Board and audience.

Vice President Simpson asked if efforts will continue in order to attempt to recoup EWEB's costs for repair. Mr. Damewood stated that they have but he isn't able to elaborate on that.

Mr. Zinniker briefly explained the backup system that is now in place should the new roll gate hoists fail.

Ms. Olson asked for a recap of the schedule for completion and wondered if two roll gates can be repaired at once. Mr. Zinniker explained the repair process.

Ms. Olson stated that all of the EWEB and Knight Construction workers have been "darling" to work with, and very courteous and polite.

She then stated that various types of work on the dam have been done "ad infinitum" for years and years, and that the recent work done with closure of the dam road required residents to leave home before 8:00 a.m. and sometimes be unable to return home until afternoon. She asked the Board to think long and hard about how to do dam repair differently next time in order to reduce the time involved, i.e., start work later in the day. She noted that many residents have children to take to and pick up from school, medical appointments to go to, and that sometimes they couldn't even go to the grocery store when they needed to.

Mr. Liittschwager noted that the recent raising of the roll gates gave the residents a very nice beach. He wondered if EWEB could raise the gates twice a year just in order to do the necessary flushing out of silt. Mr. Zinniker replied that raising the gates creates quite a problem with keeping fish alive at the fish hatchery, and that the river level can't go lower than approximately two feet for that reason.

Mr. Liittschwager noted that it is possible that the fish hatchery will be gone 10 years from now.

Commissioner Manning arrived at the close of Public Input.

LEABURG FOREST MANAGEMENT PLAN

With the aid of overheads, Karl Morgenstern, Environmental Supervisor and Steve Newcomb, Environmental and Property Manager, presented the above management plan and answered clarifying comments and questions from the Board.

Commissioner Manning asked about slope failure and if there are more areas that are vulnerable that may need additional funding. Mr. Zinniker replied that historically there have been active slides along the canal, including the Percy Slide that blocked the Walterville Canal, which was mitigated in the late 1980s/early 1990s by building a rock buttress, a shear key and piling, and that it is monitored monthly and hasn't moved in years. He noted that heavy rainfall will activate a patrol of past slide areas. He added that staff is in monitoring mode for all slides and that piezometers have been installed for additional monitoring with the data analyzed by a company, so they shouldn't happen without warning.

President Mital asked about EWEB's ability to claim carbon offset. Mr. Morgenstern replied that it can't be claimed because they look at the last 20-30 years for management, and this area hasn't been managed before.

General Manager Roger Gray noted that EWEB has never clear-cut this property, as the economic value is very small compared to the cost of maintaining a hydroelectric plant, and that plant was built to protect the canal to begin with.

Ms. Olson asked for a copy of Mr. Morgenstern's presentation, as this is the first she has heard about the Leaburg Forest.

ITEMS FROM BOARD MEMBERS

Commissioner Manning apologized for being late because he was attending the ribbon-cutting at Willamette High School for their science and technology building, which is 80-90% energy-efficient with solar panels, etc. He noted that 78% of Bethel School District voters approved it and that it will not increase taxes.

He also commented that he loves coming upriver for this annual meeting.

He also noted that the Board had briefly discussed constructing an additional road or extending the existing road during the roll gate repair but that it was not practical at the time.

Vice President Simpson stated that he recognizes the inconvenience factor of not being able to cross the river for many hours at a time. He noted that Leaburg Dam is a facility for the public good and that he wishes to work to mitigate the impact on residents in the future for such activities, i.e., possibly starting work at 8:00 a.m. or opening the road during lunch hour. He asked the upriver residents to let the Board know if the Board promises something and it's not working out or if they have other concerns or feedback, and he hoped that the residents believe that communication was good and that EWEB's signage was adequate.

He then noted that he will attend the EWEB Safety Fair on September 17 at the Roosevelt Operations Center (ROC), and that he has been volunteering at the Food for Lane County event on the last Wednesday of each month.

He gave kudos to Water Operations staff for their successful water restriction activities during the extremely hot weather, as customers were very mindful of their water use, and he encouraged continued community awareness of those restrictions and the value of water.

PUBLIC INPUT

Terry Liittschwager described the difference between the previous speed bumps that were removed and the recent new speed bumps that were installed for the Leaburg Dam roadway. He thanked the Board for the new ones, which are less objectionable than the old ones, and presented the Board with a prepared statement and a CD. He said he hopes the Board will read the documentation and listen to the CD, as he believes that a reasonable reader will conclude that it would be better to use speed humps rather than speed bumps on the Leaburg Dam roadway.

Judy Olson asked the Board to take the time to read Mr. Liittschwager's information about the speed bumps because they are a "pain in the fanny" for residents to drive over.

Ms. Olson then voiced her concern about the state of Lloyd Knox Park and referred to it as being "in ruin," and stated that she has never in the last 30 years seen it like it is now. She noted that it was one of EWEB's jewels of public access but now speaks very poorly of EWEB, and that the Leaburg Plant employees can't do everything in order to maintain it. She asked the Board to seriously reconsider a competent caretaker for the park as there is no one available when there are problems, and no one to call in the middle of the night. She noted that the previous caretaker (now deceased, who the park is named after) was a "saint" and kept the park in immaculate condition, as did Mr. Knox's wife after his passing. She asked to take a representative from the Board on a tour of the park to show them some of the jewels of the park that should be brought back to life.

In closing, she noted that the employees of Wright Tree Service (contracted by EWEB) are always very nice.

Commissioner Manning stated that some type of resolution is needed for the Leaburg Dam speed bumps vs. humps as this has been going on for quite some time. He then stated that the Board toured Lloyd Knox Park on their way to tour the Carmen-Smith project recently, and that while it does need sprucing up, it's about dollars and cents, and that with recent personnel

reductions, the ability to do that is limited, so perhaps the upriver community could join EWEB in this effort.

Vice President Simpson stated that he didn't realize that the park was in a disheveled state when he attended the EWEB picnic in July, but he noted that he didn't check out any other part of the park. He told Ms. Olson he would take her up on a tour of the park, and from that tour he will pass on opinions to the Board and staff in order to open a dialogue, and will involve the upriver community in the solution.

President Mital appreciated Mr. Liittschwager's comments and Vice President Simpson's offer to tour the park.

President Mital called for a 10-minute recess.

APPROVAL OF CONSENT CALENDAR MINUTES

1. a. July 21, 2015 Regular Session
- b. August 4, 2015 Executive Session
- c. August 4, 2015 Regular Session

CONTRACTS

2. Baker Tilly Virchow & Krause LLC - for Inventory, Supply Chain, Work and Asset Management – Industry practice implementation services. \$21,110 (total \$170,500). Water Operations. Contact Person is Sue Fahey.

RESOLUTIONS

3. Resolution No. 1525 - Western Generation Agency Revised Board Appointment. Contact Person is Susan Fahey.

ITEMS REMOVED FROM CONSENT CALENDAR

Vice President Simpson pulled the July 21 Board minutes.

It was then moved by Vice President Simpson, seconded by Commissioner Manning, to approve the remainder of the Consent Calendar.

President Mital read the following statement from Commissioner Brown, who is out of the country:

“For the record, I'd like to support all of the action items, including adoption of the Consent Calendar, with the exception of agenda item #11. I'd like staff to explain why we are taking a bid for services from a company well outside of Lane County when we have had a local company do the work for a lot of the previous time period. In addition, two of the three bids were local and neither were selected. Knowing this is a contract for jobs which sometimes are spur of the moment, having to patch a road dug up for line repair, etc., how can a company from Aurora (close to Portland) be responsive enough to meet our needs? Since this is a time and materials (T&M) contract, are we also paying the hourly wage for the company to mobilize

to/from Eugene for jobs, including mileage for the heavy trucks and equipment? Once I see an explanation for agenda item #11, I'll decide if I support this contract or not. Thank you."

General Manager Gray confirmed that he had received a phone call from Commissioner Brown, who in fact has received a response from staff and now supports the above contract.

Vice President Simpson asked for two revisions to the July 21 minutes. These were noted by staff and the minute's recorder.

The above motion passed unanimously (3-0).

RESOLUTION #1524 –REQUESTING CITY COUNCIL ACTION ON SERIES 2016 WATER BONDS

Sue Fahey, Finance Manager, explained the process for the above item and noted the resultant savings for Water Operations over time.

Management recommended approval of Resolution #1524 requesting the City Council to authorize the issuance and sale of Water Utility revenue bonds for capital improvements and refunding series 2002, 2005 and 2008 bonds.

It was moved by Vice President Simpson, seconded by Commissioner Manning, to approve Resolution #1524. The motion passed unanimously (3-0).

ASPHALT CONCRETE PATCHING SERVICES CONTRACT

Mr. Taylor noted the previously submitted backgrounder from staff, and briefly reviewed the bid selection process as it related to Commissioner Brown's concerns mentioned above. He noted that this contract is driven by Lane Transit District's (LTD) EmX project and its impact on multiple streets.

It was moved by Commissioner Manning, seconded by Vice President Simpson, to approve the above contract. The motion passed unanimously (3-0).

HAYDEN BRIDGE FILTER SOUTH S1-S6 IMPROVEMENTS

Mr. Damewood briefly reviewed the previously submitted backgrounder from staff, and added that these improvements complete the project. He also addressed clarifying questions and comments from the Board.

It was moved by Vice President Simpson, seconded by Commissioner Manning, to approve the above improvements. The motion passed unanimously (3-0).

CORRESPONDENCE AND BOARD AGENDAS

General Manager Gray noted that the backgrounder regarding water source protection from Mr. Morgenstern and Mr. Newcomb will be discussed in more detail at the October Board meeting.

- BRING Home & Garden Tour on September 13 – tickets and more information will be provided
- Strategic planning process will begin in October

Emerging Issues:

- Nearing closure of the Smith Creek sale – hoping to bring a sales proposal to the Board at a future meeting – financial picture for 2016 assumes that sale
- Worried about this fire season – seven transmission poles at Smith Creek were replaced because of a fire

General Manager Gray then recalled the recent accident between an EWEB truck and trailer and a motorcycle that resulted in the death of the motorcyclist. He voiced sympathy for the deceased man's family and support for the EWEB employees who were involved in the accident.

BOARD WRAP-UP

Vice President Simpson then voiced disappointment about the very small turnout of upriver residents for tonight's meeting. He wondered if the Board should continue to conduct an annual upriver meeting or only conduct one if they are invited to do so.

President Mital stated that he is okay with conducting an upriver meeting either annually or only via invitation, as he believes it's part of the Board's responsibility to travel upriver and show good intention to EWEB's upriver customers.

Commissioner Manning asked the Board and staff to let him know if anyone is interested in taking a tour of the new Willamette High School facility, and noted that it would need to happen before school starts on September 9.

President Mital adjourned the Regular Session at 8:11 p.m.

Assistant Secretary

President