



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown
FROM: Mel Damewood, Chief Water Engineering and Operations Officer
DATE: February 22, 2019
SUBJECT: Second Water Treatment Plant Situational Update
OBJECTIVE: Provide General Direction

Issue

An update will be provided at the March 5th Board Meeting regarding a potential future second water treatment plant.

Background

A board memo was provided at the January 8th meeting discussing the alternative level of service options and funding mechanisms for a potential future second water treatment plant. The EWEB long-term financial plan assumes that construction will start on the second water treatment plant (plant) in 2023, although the timing, scope, financing, and partnership opportunities are broadly discretionary.

Following the January meeting, Commissioner Brown, General Manager Lawson, and I participated in a discussion with the Springfield Utility Board (SUB) regarding a potential partnership in the development of the Willamette Treatment Plant and in the joint operations and partnership with the existing Hayden Bridge Treatment Plant. Discussions following the EWEB presentation at the SUB February 13, 2019 board meeting indicated that the timing of the Willamette plant should be reviewed, as each utility's needs are slightly offset.

Discussion

Several items should be discussed prior to a decision on continuing to defer the project including:

- The ongoing risk of having only one source. Recent algae toxin events combined with several near miss chemical spills support the fact that is not just a large seismic event that could affect our water supply.
- Change in technology. The configuration/capacity of the plant will likely change whether the plant is a EWEB only emergency plant or a joint EWEB/SUB plant.
- Water rights. EWEB's permit on the Willamette requires completion of construction by 2033. Note that it would take approximately 5 years to complete the project once initiated because of land-use, design, and construction.

Funding approaches for the project should also be discussed further. While the January Board Memo presented alternative funding mechanisms with gradual rate increases, the project could be funded with a one-time increase.

Recommendation/Requested Board Action

This is an ongoing status update for the Board on water treatment options and partnerships. Management, technical, and financial staff will summarize the issues and be available for discussion and to answer questions at the March 5, 2019 Board Meeting.

If you have any questions please contact Mel Damewood, Chief Water Engineering and Operations Officer at 541-685-7145 or email mel.damewood@eweb.org.