

EUGENE WATER & ELECTRIC BOARD
WORK SESSION
VIDA COMMUNITY CENTER
TOMPSON LANE
AUGUST 2, 2005
5:30 P.M.

Board Members present: Ron Farmer, Mel Menegat, John Simpson, and Patrick Lanning. Vice President Bishop arrived after the Regular Board Meeting was in session.

Others present: Jim Wiley, Debra Smith, Gale Banry, Dick Helgeson, Dick Varner, Tom Buckhouse, Marty Douglass, Jim Origliosso, Roseanna McArthur, Marc Anderson, Teresa Siemanowski, Ken Wedin, Jay L'Estrange and Krista Hince of the EWEB staff; Joe Sams, City of Eugene Minutes Recorder.

President Farmer opened the Work Session of the Eugene Water & Electric Board (EWEB).

LEABURG LAKE RAISE

President Farmer noted that there would be a public comment period during the Regular Board Meeting beginning at 7:30 pm.

Marty Douglas, Public Affairs Manager, and Jim Wiley, Electric Division Director (and acting in the absence of the General Manager) provided a presentation on raising the level of water at Leaburg Lake.

Mr. Wiley noted that the raising the level of water had been a contentious issue in the local Leaburg community. He said the initial raise of 18 inches was based on preliminary figures. He said Federal Energy Regulatory Commission (FERC), had ordered an 18 inch raise in water level but noted that EWEB staff were not convinced that 18 inches was necessary to maximize power generation.

Mr. Douglas said the issue had received public interest since 1993. He outlined the procedures that had been in discussion over the last two years. He said in 2003 he had sent a letter to affected property owners explaining the requirements of EWEB's licensing agreement and what the project would entail. He noted that the Friends of Leaburg Lake had formed in 2003 and made a request to the McKenzie Watershed Council to request that it communicate with EWEB regarding the lake raise issue and voice community concerns. He noted that he had appeared before the McKenzie Watershed Council at its December 2003 meeting to provide information about the plans to raise the water level of Leaburg Lake.

Mr. Douglass went on to say that he and Jim Wiley had also addressed the issue at a meeting of the Friends of Leaburg Lake in January 2004. He said letters had been sent to affected property owners in April announcing the testing date for raising the water level in May.

During the actual raising of the water, Mr. Douglas noted that there had been EWEB employees present in key locations around the lake to photograph impacts to property. He said the water was raised in two-inch increments and noted that after the third two-inch increment staff had realized that this was enough to maximize power output and the test had ceased. He said he had sent around a questionnaire asking property owners about impacts to property. He said the answers had varied from no impact to claims that properties were inundated. He said EWEB was willing to mitigate any effects that the raising of the water level caused.

Gail Banry, Relicensing Projects Manager, said he understood the concerns of the community and said the concerns of the local community were not frivolous. He reiterated that FERC had required an increase in generation ability and had ordered a lake raise of 18 inches. He said there were three things that allowed the reduction of the expected raise in water level. The first was a beam under the road crossing the dam that was reducing flow. He said engineers had removed three feet of that beam.

The second factor had been expanding the Walterville screen for fish that allowed more flow. The third factor was replacement of turbines and generators on the dam. He showed overhead figures showing that a six-inch water raise would maximize the power generation capability of the dam.

Mr. Banry showed photos of a residential dock on the lake before and after the raise in water level. He said the dock would have to be added to in order to provide the same functionality that it had before. He said the dock was an example of the kind of mitigation work that the lake raise would entail. He noted that there was also community concerns over septic systems and erosion of banks. He stressed that during a flood event the level of the lake would raise in any event because the dam could only accommodate a fixed amount of water flow.

Power Resources Division Director Dick Helgeson provided an overview of the economics of the project. He said there were standard tools and models to evaluate resource options such as the extra power generated by the increased water level of the lake. He said the net present value benefit amounted to \$2 million dollars gross during the time of the license agreement. He said, for purposes of analysis, it was assumed that there would be approximately \$600,000 in mitigation costs for nearby landowners. He showed an overhead graph that measured cumulative power values for the extra power that the increased flow through the dam would generate. He said the project would pay for itself after six years.

Moving on to next steps, Mr. Banry said the requirements of the license agreement were to raise the lake 18 inches and then mitigate the impacts within six months. He said EWEB wanted to be proactive on impacts to individual properties and address issues before the water was permanently raised. He said consultants had been hired to predict impacts to property along the lake but noted that all assumptions were based on an 18-inch raise in water level. He said the license agreement required EWEB to evaluate the impact of the raise in water level on the fish screen. He said he did not anticipate any adverse impacts. He said the mortality rates for fry from the hatchery were very low but noted that a more indicative test for smolt. He said the lake would not have to be raised from January to June but said raising the lake for short durations would be needed for testing the fish screen in February/March.

In response to a question from Commissioner Simpson regarding possible needs to lower the lake level after 2007, Mr. Banry said once the lake was raised six inches it would stay that way. He said the license duration was until 2039.

In response to a question from Commissioner Simpson regarding the FERC requirement to raise the lake 18-inches, Mr. Banry said there would be a procedural change to six inches on the license agreement. He said there would not be any opposition to the six-inch level because that achieved the desired maximum power generation.

Mr. Wiley added that, during the FERC amendment process, a research agency would be brought in as well as a public process to solicit input.

Mr. Banry took an opportunity to commend Marc Anderson, EWEB's Senior Relicensing Engineer, for his work in coordinating the lake raise test.

Commissioner Simpson encouraged the audience members to speak on the lake raise issue during the public comment period at the Regular Board Meeting.

In response to a question from Commissioner Lanning regarding the properties that were claimed to be inundated by the raised water level, Mr. Douglas said the letters he received had come from properties that had not been photographed during the lake raise test.

In response to a question from Commissioner Lanning regarding impacts to the fish hatchery, Mr. Banry said there was no impact at all.

In response to a question from Commissioner Simpson regarding whether the hatchery would have to do anything to slow the flow of water through the hatchery, Mr. Banry said there was no significant change in the flow of water through the hatchery.

In response to a question from President Farmer regarding the dock that had been photographed and whether rebuilding the dock would be allowed in the current permit process, Mr. Banry said he was not sure who had jurisdiction.

President raised concern over the legality of rebuilding boat docks. He asked staff to check into the possibility.

In response to a question from President Farmer regarding staff's definition of environmental testing, Mr. Banry said the dam was designed for 2500 CFS. He said the screening was designed for 2500 CFS but noted that flows were not uniform so baffles had been used to smooth the flow through the screen. He said the issue had been raised with FERC and, in the license agreement FERC had required that after the water had been raised the screening system had to be examined to see if modifications were necessary to keep the edges of the screening cleaned.

In response to a question from President Farmer regarding whether the testing for smolt was concern that the testing would not be successful, Mr. Banry said the testing had been done with the result that very few smolt had gone through the opening because fish were avoiding the roll gate opening. He said there would be tests of the differential between the old lake level and the new level to analyze fish mortality.

In response to a question from President Farmer regarding whether there were any other tests besides the raising of the water level, Mr. Banry said a tree snag plan was required for trees that were killed because of the lake raise. He said if the trees were in good enough shape and the property owner consented then the snag would be left for raptor habitat. He added that if the tree eventually needed to be cut down then EWEB would be responsible for its removal.

In response to a question from President Farmer regarding whether there were any other fish agencies to be dealt with besides FERC, Mr. Banry said the Department of Fish & Wildlife would also be involved.

In response to a question from Commissioner Simpson regarding lake height under flood conditions, Mr. Banry said the lake would be held at the same elevation as long as possible but as the flow increased there would be a point where there was not enough capacity to release water at the same pace as the lake was raising. He reiterated that there was a point where the open flood gates could not adjust to the flow of the river and the lake would rise.

President Farmer reminded the audience that there would be a public comment period during the Regular Board Meeting beginning at 7:30 pm. He added that *McKenzie River Reflections* had printed an article with a factual error. He said the article had mentioned a boat landing on Partridge Lane. He stressed that there were no plans for a boat landing but there was a plan for a parking area. He said the paper had acknowledged the error and would be printing a retraction.

BOARD GOVERNANCE

Debra Smith, Assistant to the General Manager, said her intent was to move through some of the issues that had previously been sent to the Board members. She noted that she and Vice President Bishop had already spent some time on the matter and Vice President Bishop had provided written comments for Commissioners to review. She said that it was unfortunate that Vice President Bishop was not here to discuss her changes.

President Farmer stressed that no decisions would be made since the matter was for discussion only. He urged the Commissioners not to rehash the language and instead make suggestions as to content. He called for comments from the Commissioners.

Commissioner Menegat commented that he had some concern that an extra meeting would be needed each month for the large dollar items that had been pulled from the Consent Calendar during regular meetings. He added that the Consent Calendar also had contracts that lasted for a long period of time and would eventually amount to large dollar amounts. He said a dollar amount would eventually be needed for consent calendar items.

Commissioner Simpson said more visibility was needed for large funding amounts in the Consent Calendar. He said he was in favor of the policy wording as it stood but noted he was also in favor of the automatic \$1 million threshold for bringing an item out of the Consent Calendar.

Mr. Wiley stressed that staff did their best to provide detailed background information on budget items as well as those that were in the Consent Calendar.

Commissioner Lanning said the Commissioners had certain responsibilities to monitor budget issues but said staff did a good job of providing information to the Board. He said setting an arbitrary amount for automatically removing a budget item from the consent calendar did not address the core issue. He said there needed to be a discussion of how items were pulled from the Consent Calendar.

Ms. Smith noted that information about Board Agenda items were all online. She maintained that there was more information on a Consent Calendar item than on items on the regular agenda.

In response to a question from President Farmer regarding where the public could get information on agenda items besides the internet, Ms. Smith said they could always call and have questions answered or ask for a hard copy of the item summaries.

President raised concern over the amount of budget amendments that had occurred during the course of the year. He said there should be a maximum of five or six per year and none of them should be put into the Consent Calendar.

Mr. Wiley said the budget amendments that had been dealt with in 2005 were for major projects and noted that there had been a new process implemented in 2005 that had called for more budget amendments.

President Farmer said part of what was needed was to think about how to remove items from the Consent Calendar in a way that facilitated time management at a meeting. He commented that the Consent Calendar was supposed to happen in a few minutes and added that in a significant amount of meetings the Board spent 20 minutes to an hour discussing the Consent Calendar.

Commissioner Lanning expressed his frustration that the questions during Consent Calendar discussion were over things that could have been addressed by staff outside of meeting time. He noted that he had always made a point of asking questions of staff before the meeting. He said that Commissioners who had questions about Consent Calendar items should discuss them with staff so meeting time was not wasted.

President Farmer agreed and said Commissioner Lanning's idea should apply to Regular Board Meeting agenda items as well.

Ms. Smith said time for Items from Commissioners on the agenda often was significantly condensed because of extended periods of discussion over the Consent Calendar.

President Farmer said it was a matter of getting items removed before they were put in the Consent Calendar. He suggested that the Consent Calendar could be made a week ahead of time so Commissioners could pull items without using meeting time.

Commissioner Lanning said he did not see the point of specifically designating a recording service in the Bylaws.

Ms. Smith said the item was specifically called out at the request of Vice President Bishop. She said the original language had been more generic.

President agreed with Commissioner Lanning and noted that if was not required then specific recording services should not be called out.

Under the Minutes correction item, Commissioner Lanning commented that if there was a disagreement over the accuracy or statement of fact then a verbatim transcript could be requested. He said staff should not be specifically called out to request verbatim copies.

In response to a question from Commissioner Lanning regarding whether formal Resolutions needed taking action, Ms. Smith said in most cases it was dependant on the individual.

Mr. Helgeson added that a lot of the action the Commissioners took involving resource matters might be pursuant to contracts entered into with other parties or could serve as the basis for bond issuance. He said some of the other parties involved would want a formal written declaration of intent rather than just a statement of intent in the minutes.

President Farmer said he understood that additional comments could not be added to the minutes under the pretext of being corrections but questioned the sentence that a Commissioner could request that a statement made that was not included in the minutes could be included.

Ms. Smith said if a statement was made that was not recorded in the minutes a Commissioner could request that their statement be added. She said in order to minimize the amount of times verbatim transcripts were requested a Commissioner could ask that a statement be added to the record if the other Commissioners agreed. She said if another Commissioner objected then a verbatim transcript could be requested.

President Farmer said the language in the Bylaws needed to be clearer. He said the challenge he had with minute corrections was that he did not always have a specific memory of a statement that was made.

Ms. Smith noted that the City Council submitted minute corrections electronically before and if there were no objections from the other City Councilors then the corrections were accepted. She said this would be a way of dealing with typographical errors and wordsmithing without using meeting time.

Commissioner Lanning said he was in favor of the City Council process.

President Farmer agreed and stressed that he wanted Board time dedicated to substantive issues rather than correcting minutes.

Commissioner Simpson said he encouraged a streamline process for approval of minutes. He suggested that all suggested corrections be grouped together in one document.

Regarding meeting locations, Commissioner Simpson said locations should be better documented for the public.

Ms. Smith noted that meeting locations were posted.

Regarding meeting start times, Commissioner Simpson said if a Work Session ended early then there needed to be a rule that the Regular Board Meeting would not start until its appointed time.

President Farmer noted that there was already a Policy that regular sessions would not start until 7:30.

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Commissioner Simpson raised concern that covering routine items in the Work Session was in effect starting the Regular Board Meeting before 7:30.

Regarding the approval of the annual budget, President Farmer asked if the item was included because it needed to be approved by a formal Resolution, Ms. Smith said the reason was unclear.

President Farmer said if the reason was that it required a formal Resolution then it should be included in the Bylaws section regarding resolutions.

The work session adjourned at 7:15 pm.

Assistant Secretary

President