

EUGENE WATER & ELECTRIC BOARD
REGULAR BOARD MEETING
VIDA COMMUNITY CENTER
90377 THOMSON LANE
VIDA, OREGON 97488
MAY 1, 2007
7:15 P.M.

Commissioners present: Mel Menegat, John Simpson, Patrick Lanning, Ron Farmer, and John Brown.

Others present: Jim Wiley, Tom Buckhouse, Jim Origliosso, Dick Helgeson, Scott Spettel, Regan Lee, Marty Douglass, Gale Banry, Brenda Sirois, Suzanne Pearce, Deborah Brewer, Debra Smith, Jay L'Estrange, Dave Koski, Ron Dyer, Dean Ahlsten, and Krista Hince of the EWEB staff; Lynn Taylor, City of Eugene minutes recorder.

President Menegat convened the Regular Meeting of the Eugene Water & Electric Board (EWEB) and indicated the meeting was convened 15 minutes earlier than scheduled in order to accommodate all of those wishing to speak. He said that the Board if necessary could allocate additional time.

AGENDA CHECK

There were no changes to the agenda.

PUBLIC INPUT

President Menegat reviewed the rules of testimony and called for public input.

Vernie Johnson and **Bill Goodpasture**, Vida, provided an overview of the history of the Walterville/Leaburg relicensing issue. She said that residents had been promised a boat landing years ago and should get one. She felt that EWEB should move forward on that commitment. She indicated that her property was next to the covered bridge and recreational boaters who encroached on it and engaged in inappropriate behaviors heavily impacted her property. She did not think that residents around the lake were being considered in the process and it was time for EWEB to provide leadership and build a new boat landing. She said that Marine Board funds were still available for a landing on the lake itself, but the Indian Creek did not qualify for that funding. She pointed out that the new toilet composting facility at Lloyd Knox Park would take up a lot of space now used for parking and boat take out.

Mr. Goodpasture said he was working on a documentary of the issue and the area and would make his materials available to the Board. He urged the Board to sit down with residents, listen to their concerns and work with them to develop a viable solution that would benefit everyone.

Dana Burwell, Vida, said he had spent a considerable amount of time on the boat land issue and a site and funding were identified, but EWEB declined to get involved at that time. He said that the Ike's Landing site was viable and possibly eligible for Marine Board funding. He urged the Board to reconsider that site and reestablish the recreation committee to continue to work on the recreation plan.

Jim Goodpasture, Vida, stated he was a past president of McKenzie River Guides and a strong support of clean water and fish; however, he had an agricultural operation across the river and would oppose a landing at Indian Creek as it would severely impact that operation and increase his exposure. He agreed that Ike's Landing was an acceptable site and criticized EWEB for not following through on an earlier opportunity. He noted that Ike's Landing did have safety concerns. He asked the Board to consider the major threats to timber production and agriculture.

Jim Boyd, Eugene, McKenzie Flyfishers member, noted that there was broad interest in boat ramp improvements as Ike's Landing was dangerous, as it currently existed. He said his organization did not have a specific site recommendation, but hoped that EWEB staff would be provided with the resources they needed to conduct the engineering studies to solve the problems.

Bob Grafton, Vida, recommended that the Board become involved in the boat landing issue. He said the Federal Energy Regulatory Commission (FERC) had given residents another opportunity to reexamine the project. He felt a boat landing was feasible either at Indian Creek or Ike's Landing. He said that the previous effort to solicit funds lacked a vision for a boat landing that could garner financial support. He also recommended revisiting the recreational plan and completing it. He was not clear about the current status of the plan and would like to see information about that. He said that residents would appreciate all the help that EWEB could provide.

Dan Bentsen, Eugene, advocated for a boat landing in the local area between the river and the highway. He said the landing would need parking and to be maintained. He urged action on the project without a lot of additional study. He recognized that the site selected might not make everyone happy but EWEB should consider the greater benefit to the County as a whole of a landing that was safe and well maintained.

Steve Schaefers, Vida, McKenzie River Guide past president, thanked EWEB for screening the canal intakes. He agreed that action was needed on the boat landing issue and urged EWEB to continue to plan for a new landing. He felt that either Ike's Landing or Indian Creek were feasible sites and the old Wessinger site—the vacant property below Goodpasture Bridge on the north side—was a potential site and could be purchased, although he preferred Ike's Landing.

Donna Nixon, Eugene, stated that she was onsite when an EWEB power pole fell on the house of one of her neighbors at Covey Lane during a storm last May. She said it was very frightening and fortunate that no one was injured. She supported installation of a new pole to replace the remaining pole that was leaning and asked for the Board's support.

Matthew Svoboda, Eugene, said he lived near the leaning pole and if it fell a certain way it

would crash through his bedroom window. He saw the damage to Peg Renkert's home from the pole that did fall and it was devastating. He urged EWEB to develop a solution that would make residents of the area feel safe and would be safe. He referred to a report recommending either replacement of guying of the remaining pole and asked the Board to consider safety and not cost.

Peg Renkert, Eugene, expressed astonishment that the issue of the pole failure had not yet been resolved and felt that demonstrated little regard for the public's well-being. She said EWEB's products might be water and electricity, but its business was not just about engineering; it was about people and the safety and peace of mind of the Board's constituents should come before economics. She requested replacement of the remaining pole with one made of steel. She felt that EWEB staff had not been cooperative with neighborhood residents and that had created a serious public relations problem. She hoped that it would not take a death to convince the Board to do the right thing.

Donn Linklater, Eugene, expressed concern with the impact of low water on steelhead smolt. He said a three-day spill was the minimum needed to help them leave on migration. He thanked EWEB for the salmon ladder at Carmen Smith that would protect the spring Chinook, but the problem should also be addressed downstream at the Camp Creek salmon racks. He said that fish were tracking into those racks because there was more flow than in the river. He suggested reducing the level twice a week beginning May 15. He hoped for more water in the river for a consistent flow below the dam.

Gene Highfill, Springfield, commented that EWEB was the biggest user of the McKenzie River. He said the Board represented the people but seemed reluctant to provide a much-needed boat landing improvement. He participated on a committee studying potential boat landing sites but the meetings were canceled just before EWEB's request regarding the Carmen Smith relicensing application was submitted. He said that ODOT had recommended closure of Ike's Landing because of safety concerns. He asked the Board to take action to address safety and environmental concerns and reminded them that EWEB was also in the business of meeting environmental and recreational needs.

David Jensen, Vida, thanked the Board for holding meetings in the Vida area, for their public service as Board members and for being underwriters of "River Water." He agreed with members of the guide association who had spoken previously that it was time to move forward. He felt the six inch raise would create difficulties for large vehicles to maneuver at Ike's Landing. He thought that purchasing the property to the east could result in some improvements. He said that remedial measures would be necessary to obtain a feasible landing, regardless of the site.

Ken Helfrich, Vida, also thanked the Board for meeting in Vida. He urged improvements to Ike's Landing to reduce the risk of traffic accidents. He said many people came to the area for its recreational value and a safe boat landing facility was essential. He thought the Indian Creek site could work, but preferred a site lower on the river.

Bob Kline, Eugene, chair of Harlow Neighborhood Association, member of the Neighborhood Leadership Council and chair of EWEB's committee on improving public relations conveyed the

neighborhood association's unanimous recommendation that EWEB consider replacing the tower. He said delay of that decision had caused anxiety for Quail Run residents. He stated the tower had been overstressed, which is why it had not returned to its original position and it was uncertain what would happen to it in the future. He did not think that a steel replacement tower would require guy wires.

Kelsey Helfrich, Vida, stated she was a fourth generation guide on the river and a senior at Oregon State University in recreation and resource management. She urged consideration of the Indian Creek if Ike's Landing was not feasible. She said that recreation on the river was a critical part of the economy and a boat landing was essential. She thanked EWEB for coming to Vida and listening to residents.

President Menegat called for comments from Board members.

Commissioner Brown thanked everyone who spoke and was pleased with the large number of people in attendance. He hoped that EWEB could work collaboratively to resolve issues related to a safe boat landing and the utility tower. He hoped that some of those who spoke on behalf of the boat landing would be willing to assist EWEB in developing the plan to obtain funding.

Vice President Simpson stated that he had taken many pages of notes during public testimony and was pleased to see so many people in attendance. He said the Board, even though residents of the McKenzie River Valley did not elect them, he felt it was very important to come to the area and listen to concerns and recommendations. He thanked everyone for taking the time to come to the meeting.

Commissioner Farmer thanked those who came to the meeting and agreed with the need to take action with respect to a boat landing.

Commission Lanning said as a river user he understood the issues and needs.

APPROVAL OF CONSENT CALENDAR

Minutes

1. March 6, 2007 Work Session

Intergovernmental Agreement

2. Lane Council of Governments (LCOG)

Business Service Agreements

3. Brattain International Trucks, Inc. – International Five-Yard Dump Trucks – Shop Facilities – Corporate Services – \$114,590
4. Clark Public Utilities – Payment Processing Services – Customer Services – Finance & Customer Services Division – \$700,000
5. Language Line Services – Translation Services – Customer Services – Finance & Customer Services Division – \$20,000

6. R. W. Beck, Inc. – NERC Compliance Assessment/GAP Analysis – Electric Division – \$30,000
7. Water Flow Specialties, TB Irrigation, A&K Landscape, and Green Earth Irrigation & Landscape – Backflow Testing and Assembly Repair Services – Water Division – \$117,500

Commissioner Brown noted that he had submitted written corrections to the March 6, 2007, minutes. President Menegat acknowledged that the Board had received the corrections and deemed them, without objection, accepted.

Commissioner Lanning, seconded by Vice President Simpson, moved to approve the items on the Consent Calendar. The motion passed unanimously, 5:0.

ITEMS REMOVED FROM CONSENT CALENDAR

There were no items removed from the Consent Calendar.

ITEMS FROM BOARD MEMBERS

Vice President Simpson asked the Board to consider allowing people to testify without requiring that they state their addresses to allow for anonymous testimony. He suggested that speakers could, as an alternative, indicate either their ward or zip code. He asked that the policy be addressed at a future discussion of governance issues.

Commissioners Lanning and Brown supported Vice President Simpson's request and President Menegat said a discussion would be scheduled.

Commissioner Brown asked staff what next steps could be taken on the boat landing issue to maintain the momentum. Mr. Wiley agreed there was tremendous support for the boat landing and the committee should be reestablished to narrow down the issues and move forward.

President Menegat asked staff to provide a backgrounder on the next steps to be taken regarding a boat landing.

Commissioner Farmer announced that he would be attending the Northwest Energy Coalition annual meeting later in the month. He asked that for a comprehensive backgrounder and discussion of what renewable standards would mean for EWEB as a result of legislative action.

Vice President Simpson and Commissioner Lanning support Commissioner Farmer's request.

Commissioner Lanning asked about the status of the recreational plan and whether any activities were planned in the area. Mr. Douglass remarked that the committee was provided a rough progress report at the end of 2006 and informed that when weather improved the committee would

be assembled for a tour of each increment of the plan that had already been enacted. He said the committee would also be told about plans for finishing the work.

Commissioner Lanning asked that Board members be invited to participate in the tour.

CORRESPONDENCE

Acting for the absent General Manager, Electric Division Director Jim Wiley identified the following correspondence:

- Confidential quarterly litigation report
- Backgrounder on customer research project planned by staff
- Backgrounder on residential customer electric consumption
- Notice of public meeting on May 17, 2007, regarding the lake raise

BOARD AGENDA

Mr. Wiley reviewed the Board Agenda report and noted the addition of a Board meeting on May 8. He said there was a Work Session on the five-year water capital improvement plan scheduled for the May 15 work session and a joint meeting with the Eugene City Council would be held on May 30.

COVEY LANE – INDEPENDENT ENGINEER’S REPORT

Electric Systems Engineering Manager Dean Ahlsten indicated that he was seeking Board direction for staff on how to proceed on the issue of the Covey Lane transmission pole. He noted that one of the options, as recommended by Dr. Franz Rad, was guying the structure in various configurations; other options included replacing the structure with a steel pole, leaving the existing pole as is and a self-supporting engineered structure that would not require guying.

President Menegat noted the matter was before the Board as an action item because if the determination was to replace the pole there was a limited time available to purchase and install the replacement.

Commissioner Brown stated his position was that EWEB should replace the pole and move forward with providing services to the community and restoring confidence.

In response to a question from Commissioner Farmer, Mr. Wiley said there were still 15 trees at the site and EWEB was submitting a draft permit and restoration plan to the City. Mr. Ahlsten added that action would be taken some time in the fall and the remaining dangerous trees were leaning away from the power lines in most, if not all cases.

Commissioner Farmer said the issue was not about whether the pole was safe, as that had been

confirmed by EWEB staff, the manufacturer and a third party, although it was noted that there could be danger if a tree fell on the pole. He said he had asked for a determination of whether that pole was as safe as any other concrete pole in the system and the answer to that was yes. He felt that EWEB should listen to the advice of its expert and not replace the pole.

Vice President Simpson agreed that experts provided opinions to inform the Board's decisions, but like anyone else experts could be wrong. He said the pole could be safe but of greater importance was the perception of nearby residents of the lack of safety. He was in favor of replacing the pole with a steel pole that would not require guying and cutting and trimming trees that could jeopardize the system.

President Menegat remarked that he felt it was a staff decision and not a matter that was appropriately before the Board. He said based on the information provided he felt the pole was safe and he would not support replacing it.

Vice President Simpson, seconded by Commissioner Brown, moved that the Eugene Water & Electric Board replace Pole LC 2/3 on the Laurel Hill transmission line in central Eugene near the Covey Lane residential area with a single monopole steel pole, unguyed. The motion passed 3:2; Commissioner Farmer and President Menegat voting in opposition.

TREE LINE USA AWARD

EWEB's Utility Arborist Ron Dyer used a PowerPoint presentation to illustrate EWEB's tree program. He said the program's vision was for excellent vegetation management, a safe and reliable electric system and a healthy urban forest. He said the program focused on five key areas:

- customer satisfaction
- system reliability
- safety
- regulatory compliance
- quality

Mr. Dyer said that EWEB was the fourth utility in Oregon to receive a Tree Line USA Award and among 150 utilities nationwide. He reviewed the guidelines and practices EWEB employed to protect trees and acknowledged the many staff members who contributed to EWEB's receipt of the award.

Mr. Wiley and Electric System Reliability Manager Dave Koski commended Mr. Dyer's efforts to promote and implement EWEB's tree program.

Commissioner Farmer asked if it was preferable for someone to trim their own trees if they began to interfere with lines or call EWEB. Mr. Dyer said the tree program encouraged people to call EWEB, which had the expertise and knowledge to assure the job was properly done. He noted that there was no cost to the customer.

Commissioner Farmer objecting to providing that service for free. Mr. Koski replied that EWEB was mandated by the Public Utilities Commission (PUC) to maintain a clearance window around the power lines and that cost was built into the rate structure. He was unaware of any utility that required customers to pay for that service.

Commissioner Farmer felt that EWEB should charge for the service.

Commissioner Brown asked if the tree program was coordinated with Neighborhoods to assure that trees planted in the right-of-way would not present a problem. Mr. Dyer replied that the programs were coordinated through the City.

Commissioner Brown commended staff for resolving a constituent's tree problem in a way that made the customer happy.

Vice President Simpson encouraged staff to publicize the award.

AMERICAN PUBLIC POWER ASSOCIATION'S RELIABLE PUBLIC POWER PROVIDER AWARD

Electric System Reliability Manager Dave Koski explained that EWEB had received a "Platinum" level award and that represented EWEB's efforts to continually improve service and reliability across the organization. He commended the Board for decisions that increased the budget for aging infrastructure as system improvements was a major factor in the award. He noted that EWEB was one of only 48 of the nation's 2,014 public power utilities to earn Reliable Public Power Provider recognition; four utilities received the highest level "Diamond" award, 20 received the "Platinum" award and 24 received the "Gold" award. He said a report on EWEB's scoring would be forthcoming later in the month and would be used to determine how to reach the next level.

Commissioner Farmer expressed an interest in seeing the scores for all utilities and how EWEB ranked in each category.

Commissioner Lanning asked the Board to acknowledge the efforts of staff and the positive achievement represented by the award.

Vice President Simpson said the award had significant public relations value in demonstrating to the community the excellence of its public utility.

BUDGET AMENDMENT NO. 4 RIGHT-OF-WAY PROJECT

Treasurer Jim Origliosso explained that the amendment would increase the level of effort in tree trimming and other PUC-related work. He said the proposal was to take funds from the operating reserves.

Commissioner Lanning, seconded by Vice President Simpson, moved to approve Budget Amendment No. 4. The motion passed unanimously, 5:0.

BUSINESS SERVICE AGREEMENT

Hydro Relicensing Manager Gale Banry stated that the request was for an additional \$1 million authorization for work in relation to the Carmen-Smith relicensing. He related that the Board had originally approved \$3 million for environmental work and \$1 million for engineering. He said the issue of the fish passage at the Trailbridge facility had imposed additional work and necessitated the request for more funds. He indicated that only the funds required for additional work would be spent.

In response to a question from Commissioner Farmer, Mr. Wiley explained that Board approval of the request would grant staff \$1 million in additional funding for consultant work and any contract amendments would be done in compliance with EWEB's contracting standards. Mr. Origliosso noted that the funds were already in the Carmen Smith budget.

Commissioner Lanning, seconded by Commissioner Farmer, moved to approve an increase of \$1 million in the business service agreement with MWH Americas, Inc. for the Carmen-Smith project. The motion passed unanimously, 5:0.

President Menegat adjourned the Regular Board Meeting at 9:05 p.m.

Assistant Secretary

President