

EUGENE WATER & ELECTRIC BOARD
WORK SESSION
EWEB BOARD ROOM
JUNE 17, 2008
5:30 P.M.

Commissioners present: John Simpson, Ron Farmer, John Brown, Mel Menegat, Bob Cassidy.

Others present: Randy Berggren, Dick Helgeson, Sheila Crawford, Tom Buckhouse, Terry Bequette, Brenda Sirois, Dave Koski, Mike Freeman, Lance Robertson, John Yanov, Patti Boyle, Kathy Grey, John Mitchell, Tom Williams, Todd Simons, and Krista Hince of the EWEB staff; Rich Cunningham, Commissioner-elect; Sara Patton, Northwest Energy Coalition; Scott Corwin, Public Power Council; Glen Spain, Pacific Coast Federation of Fisherman's Associations; Michael Garrity, Conservation Director for American Rivers; Brett Lawrence; Terry Flores, Northwest RiverPartners; Ruth Atcherson, City of Eugene minutes recorder; and members of the public.

President Simpson convened the work session of the Eugene Water & Electric Board (EWEB).

NORTHWEST ENERGY COALITION

Northwest Energy Coalition's Executive Director Sara Patton introduced her panel from various salmon organizations: Mr. Garrity, Mr. Spain, and Mr. Lawrence. She underscored that they were not present to convince anyone that there was only one way to recover salmon in the Snake River Basin and did not intend to make an affirmative presentation. She noted that the packet information included all of the information available on the Website, with one new map. She averred that it was time to start thinking on how to negotiate a resolution to a ten-year crisis. She did not think litigation would resolve peoples' doubts. She said the question to be considered was how to have both recovered salmon and a strong northwest economy that did not have to suffer for bringing back the salmon.

Mr. Spain explained that the Pacific Coast Federation of Fisherman's Associations was the largest trade association of commercial fishing families. He related that it had been a tough season for fishing, with closures and restrictions up and down the coast including Washington, Oregon, and Alaska. He said the problem areas included the Columbia River and had been in an ongoing crisis for a long time. He stated that he had been the chief negotiator in the Klamath Basin, which was a microcosm of the Columbia and potentially more volatile. He said the Federation had concluded, "nothing was getting [them] to where [they] needed to go." He related that they started to seek alternatives to the present situation, a better way besides "the gridlock and the intense amount of money thrown at this for years." He declared that the utilities would be a key player in this as they represented a force that could help broker some solutions. He remarked that everyone on the panel was unhappy with the *status quo* and needed a "plan B" that would restore salmon runs, provide the kind of rates that would be affordable, and meet the transportation needs for upper basin farms and grain producers. He did not believe any of the political posturing that had happened over the last decade had done any good. He was interested in opening a dialogue, like he had participated in at the Klamath Basin which had resulted in compromises.

Ms. Patton called the Board's attention to a piece in the Board packets that discussed some of the intransigent arguments on the conservation of species that had been successful once all of the stakeholders sat down and initiated serious negotiations. She said it had attracted help from the federal government.

Mr. Spain related that one lesson that had come out of the Klamath Basin issues was that if constituents did not have a plan then a plan would be forced upon them.

Mr. Berggren asked where the removal of Snake River dams fit into the dialogue. Mr. Spain responded that it was a tough sell. He preferred issues to be addressed without removing dams.

Commissioner Brown remarked that the McKenzie River fish hatchery had seen the lowest rate of return since records were kept, though there were no dams in the system. He believed some problems could be rooted in ocean conditions. Mr. Spain agreed that the ocean was a big factor but felt there was nothing that could be changed there. He averred that if it was possible they should take steps to avoid adding to the stress of the various problems in the river that were caused by humans.

Commissioner Brown said it was puzzling to see the "most devastating returns" to the hatchery knowing how dirty the system was ten years earlier, how much it had been cleaned up since then with less logging and less sediment, and all of the restoration that had occurred. He asked how this could be explained. Mr. Garrity replied that people had to do their best to clean up the factors from the past; then when ocean conditions became more normal things would rebound faster and for longer making more of them for the next cycle or downturn.

Mr. Garrity said the rivers that were more intact on the Olympic Peninsula and the coastal rivers were a lot better and were closer to their historical returns.

Commissioner Brown averred that the Umpqua River was also experiencing drops in the runs. Mr. Spain responded that relative to the other runs the Umpqua River was doing better. He said if salmon had good habitat to return to it improved the stock.

Commissioner Cassidy asked if it would be possible to take out one or two dams and whether that would make a difference. Mr. Garrity replied that the dams were all roughly similar, but each dam had about a 5 to 12 percent impact on mortality depending on the species and the water year so removing a dam would reduce mortality by that amount. He said there was reason to look at the Lower Granite Dam as it had sediment accumulation, which could potentially contribute to flooding.

Commissioner Cassidy averred that it was known that costs were increasing and the amount of available power was being reduced. He wondered if it could be more acceptable to customers if adjustments were phased in over a period of time.

Mr. Garrity commented that from the perspective of the fall Chinook, whose spawning habitat

was restricted to an area from the top of Lower Granite Pool above Clarkston, Washington and Lewiston, Idaho up to the Hell's Canyon Dam, taking the two dams that affected them would boost their habitat.

Mr. Spain observed that people would ask why the focus was on the Snake River. He said they were pretty sure the fish could get up and down through the lower four. He stated that the Snake River represented roughly 50 percent of the productivity of salmon for the whole Columbia Basin and an abundance of natural pristine habitat was located above the dams. He averred that there were a lot of opportunities there as the Snake River featured the oldest and most diverse stock of salmon.

President Simpson said the Board backgrounders included a letter from members of Congress, signed by 92 delegates, urging further action. He noted that it appeared that many of the signers were from other parts of the country and wondered why they were interested. Ms. Patton replied that at issue was the Endangered Species Act, which provided the entire country an interest in preservation of a species.

President Simpson observed that if the dams were removed, the power they generated would need to be generated by other methods. He questioned how this region could support that much wind power and other generation resources. Ms. Patton responded that this was one of the hardest pieces in support for dam removal as proponents also supported carbon-free electricity and would, in any other circumstance, advocate for it. She felt more optimistic at present about the challenge of finding other power generation resources and she attributed this in part to the actions of EWEB; EWEB had contributed much to understanding how to "do" energy efficiency effectively, productively, and consistently. She said Tom Eckman, Northwest Power & Conservation Council, had declared that the region had done better than it had planned and that he believed this region could generate 400 average megawatts (amW) per year. She declared that any solution to the issue would cost money.

Mr. Spain observed that the *status quo* cost money as well. He averred that they should consider what the least cost transition would be.

President Simpson invited Ms. Flores and Mr. Corwin to speak. He noted his belief that the *status quo* was not in anyone's best interest.

Mr. Berggren commented that EWEB was a member of the Northwest RiverPartners (NRP), the Public Power Council (PPC), and the Northwest Energy Council (NVEC).

Mr. Corwin and Ms. Flores provided a power point presentation on the dams and the current situation.

Ms. Flores remarked that there were a number of factors contributing to the decline in salmon. She related that in the late 1880s a fish commissioner had predicted the imminent demise of salmon because the fish were being so aggressively harvested. She said it was also absolutely fair to say that the dams had impacted the fish after they had been over-harvested.

Ms. Flores said a new biological opinion had been developed by the National Oceanic & Atmospheric Administration (NOAA) Fisheries and submitted to Judge Rudman in United States District Court in Oregon. She thought it was a solid plan and that it was not *status quo*. She felt it had been developed differently than the past processes as it had been developed through a two-year sovereigns process. She explained that by sovereigns she meant the states, the tribes, and the federal agencies of the northwest. She related that RiverPartners had worked closely in the process. She averred that the opinion was based in a solid scientific analysis as it had been extrapolated from watershed level information and fish populations and the limiting factors in the lifecycles of the fish. She said they had noted that one species in the upper Columbia River had been adversely affected by hatchery overproduction. She felt the measures in the plan had been tailored to the science of the opinion. She cited, as an example, that young salmon migrating down the stream at the dams had to meet a performance standard of 96 and 93 percent and if that did not happen a “plan B” was built in. She said there was a lot of investment being made in habitat improvements, new or expanded hatcheries, and the plan also incorporated court-ordered flows and spills, predation control, as well as ongoing research and evaluation.

Ms. Flores said it would be a huge investment, on the order of \$8 to \$9 billion over the next ten years. She explained that this would include the biological opinion measures themselves. She stated that a major agreement had been reached with a number of tribes and states in the region that were involved in the litigation. She related that this investment would translate into a three to four percent rate increase if utilities could not figure out how to absorb it or mitigate it in another way. She said a lot of the funding would go to the tribes and habitat investments.

Ms. Flores related that a litigation notice had been filed earlier in the day so the parties would have to return to the courtroom debating the issues.

Continuing, Ms. Flores pointed out that the four dams on the Snake River generated a lot of power. She felt that many people believed that breaching the dams would help salmon stocks but it would actually only help the four species native to the Snake River. She averred that if she was looking for the most benefit for her money, she would not support breaching the dams. She underscored that a lot of investment had been made in the dams already to mitigate the impacts to fish. She believed they were seeing a lot of upturns in adult survival in the past few years. She added that good ocean conditions worked “hand in hand” with the hydro system.

Mr. Corwin called himself the “power and transmission guy.” He averred that in a vacuum if there were something that worked but did not have a huge economic impact it would already be underway. He said the hydro system was useful and replacement of it could cause dependency on natural gas, which would add CO² emissions to the environment. He projected that removing the

Snake River dams would increase CO² emissions by 4.6 million tons per year. He stated that these figures were based on a well-vetted study.

Mr. Corwin said an economic advisory board to the Northwest Power and Conservation Council had reviewed the revenue stream and the economics of breaching. He related that the board had determined that the cost of replacing the power had been underestimated and some of the benefits of breaching the dams had been overestimated. He added that there were also transportation issues as 40 million tons of commodities come out of the northwest and down the Snake River system.

Mr. Corwin stated that the PPC had hired a polling service to conduct a poll and had determined that 86 percent of the people viewed hydroelectric power as a renewable resource, like solar and wind power.

Commissioner Brown asked how Mr. Corwin would address the sediment issue in the Lower Granite Pool in Lewiston, Idaho, given that it presented safety issues in addition to concerns about the environment. Mr. Corwin responded that he would have to check with the Army Corps of Engineers (ACOE) on the latest plan regarding that site. He said there were toxins in the sediment that had to be dealt with. He thought impacts to fish from the sediment could have a long-term negative impact. He related that this would not be addressed from the “power side” of it.

Ms. Flores related that there was an opinion piece from the people in Lewiston, Idaho, that dealt with the pros and cons of the issue. She indicated she would send copies of it to the Commissioners.

In response to a question from Commissioner Brown, Mr. Berggren clarified that EWEB could not sell power out of the region though it could develop it if there was an opportunity to do so. He explained that it would take a special location and special circumstances to make a place like the reservoir by Cottage Grove a productive power resource.

Commissioner Menegat appreciated the fact that they had come forward with a plan because it had given an opportunity to look at both sides of the issue. He was concerned about EWEB’s power requirements and, while it was turning more toward wind power and conservation, he was not certain EWEB was ready to make a big change. He had been disappointed to a reference to saving fish to kill fish. He was anxious to see how they would move forward. He wished to point out that he had walked the levees at Lewiston a couple of weeks earlier and there was a “lot of town” below them.

President Simpson commented that even though the community was environmentally aware it often drew the line at the monthly power bill. He said as Commissioners they were charged with finding the balance between the two issues. He stressed that no one was out to kill fish. He believed that hydroelectric power was one of the region's "jewels." He also predicted an increase in electric cars, which would increase the demand on power.

Vice President Farmer said Commissioners were looking to the presenters for solutions. He did not think it likely that the Board could provide a lot of answers.

Mr. Spain observed that the numbers said the same thing on both sides – there would not be a cheap solution.

Mr. Corwin averred that the bottom line was that they needed a comprehensive approach to this complicated issue. He said this was why the sovereigns had engaged in discussions for the last two years; they had tried to come up with solutions.

Mr. Spain said, from their perspective, collaboration would start from the principles of the region such as having affordable power, a good transportation system, a reduction in greenhouse gases, and restoration of fish populations. He said the conservation fishing communities had proposed things they felt would do better than the practices engaged in over the last decade. He believed the new plan would keep old measures in place. He related that from the viewpoint of his organization, all of their input had been rejected and the collaboration had been incomplete.

Vice President Farmer questioned how removal of one dam or a series of dams would not become a starting point toward breaching the next dam down the river. He said if this issue was not addressed it would be difficult to garner the support of utilities.

Commissioner Brown requested that the presenters explain whom they represented.

Ms. Patton assured him that no one represented "big money."

Mr. Corwin explained that he worked for a non-profit agency that represented non-profit utilities that were run by their consumers.

Ms. Flores stated that she represented an alliance of interests that included publicly and privately owned utilities in the northwest. She added that she wanted to "do right" by both the salmon and hydroelectric energy. She noted that she also represented people with agricultural and port interests.

Mr. Garrity said he represented people who work to defend the rivers and wildlife. He related that he had worked for American Rivers because he cared about rivers and believed they were good assets for the communities. He had grown up in the northwest and wanted to find a way to keep the biodiversity intact.

Mr. Spain explained that his organization was the largest trade organization of commercial fishing families, with a membership consisting of over 2,000 businesses.

Ms. Patton said the Northwest Energy Coalition was the most diverse of the organizations before the Board. She stated that there were 113 organizational members; the largest number was comprised of conservation groups, with the next largest number consisting of a group of consumer and low-income groups, and then there were Investor Owned Utilities (IOUs) and publicly owned utilities and a number of other interests.

President Simpson thanked them for coming to speak before the Board.

STATUS OF OLYMPIC TRIALS PREPARATION

Key Account Manager Tom Williams explained that he was involved in the process because he served as Key Accounts Manager and the University of Oregon was one of EWEB's larger accounts. He said he had been working closely with External Communications Coordinator John Mitchell. He stated organizers were projecting that the Olympic Trials would be sold out and that approximately 200,000 people would attend the street fair event that was free.

Mr. Williams stated that the Green Power project was a combination of solar energy and wind power. He reported that EWEB had approached the event and offered the opportunity to purchase Green Power and they had bought it at a retail price. He related that he served on a sustainability committee that was associated with incorporating sustainability into the trials. He felt that Green Power was one of its success stories. He noted that they planned to take the Sun Rover to highlight how photovoltaics work. He said local organizers had located a company that could provide a solar-powered stage and it would be at the event. He noted that there was also a solar array on the south side of the student recreation center. He said June 30 would be a "Sports and the Environment Day," which would present the opportunity to tell the good story about sustainable energy resources used for the trials.

Mr. Williams reported that they had worked closely with the University to identify where the load centers would be. He said usually the University would figure out where this would be and bring in diesel generators and fire them up. He explained that EWEB had worked to bring temporary power in and was successful in eliminating a number of diesel generator locations. He stated that EWEB planned to bring in temporary power to three sites and had just agreed to power up a mobile cellular tower. He averred that having a diesel generator next to a track made for a terrible story, but now these sites would be powered with Green Power.

Additionally, Mr. Williams stated that the EWEB Oasis Booth would be located in front of the Knight Library and would be powered by the Sun Rover. He said it was a great location as one of the shuttle buses would be dropping off passengers there. He hoped that the Commissioners would volunteer to help staff the booth. He also noted that EWEB had plans to assist the University in developing an EWEB right of way into a connecting trail to the Prefontaine Trail. He also noted that the Butte to Butte Run was planned for the end of the week of the Olympic Trials and was projected to draw 6,000 participants.

Commissioner Brown related that he had heard that some of the vendors did not like that EWEB would be giving water away as they were selling water. Mr. Williams responded that this had been a “delicate issue” as a lot of sponsor dollars were coming from businesses that wanted to promote their products and a lot of those businesses had a water product for sale. He said EWEB staff explained that the Oasis Booth had been a part of many of the local activities, such as the Eugene Celebration, and that it was part of EWEB’s plans and if there was a problem they needed to work it out. He felt EWEB was sensitive to the need for not competing with some of the sponsors but at the same time was “not shy about having a great product.”

Commissioner Brown asked if there were pictures of where the renewable energy was coming from locally. Mr. Williams replied that when they had promoted the idea he had shown a picture of the solar array on top of the recreation center that included Hayward Field in the background. He said they hoped to promote it as a local resource and to let people know that Green Power revenue went into a dedicated fund to be reinvested in the community.

Vice President Farmer commented that the issue of sponsors was a big one. He related that the bank he worked for was not even allowed to have an empty water bottle with its logo on it to give away. He pointed out that the big sponsors were paying for the Green Power.

Mr. Williams related that one of the large sponsors, Safeway, had come up with a project that included exercise bicycles and treadmills hooked up so that they could generate power and they planned to feature the “green-ness” of what Safeway was doing. He felt that what EWEB was doing was in step with the corporate sponsorship.

In response to a question from President Simpson, Mr. Williams stated that there was one spot on campus that could not be served by a temporary power drop. He added that the television networks would not use anyone’s power and always brought their own diesel generators. He noted that EWEB had spoken to them about using bio-diesel but had not met with success.

President Simpson asked if the Green Power would be paid for on a kilowatt hour basis. Mr. Williams replied that the temporary power sites would be metered and would be charged at the retail rate and the cost of installing poles would be charged at the normal rate.

Electric Reliability Distribution Manager Dave Koski stated that EWEB’s systems stopped at EWEB’s boundaries. He explained that EWEB provided primary service to the University of

Oregon, which then distributed the power on its own system throughout the campus. He related that staff had worked with University facilities staff and had asked them if EWEB could provide support for their antiquated distribution system. He said they offered to conduct infrared scans of the system and to provide emergency backup services and to serve as the repair crews.

Mr. Koski provided an overview of the system that provided power to the campus, which included back feeds coming in from five different substations as the Willamette Substation was currently under reconstruction. He said staff had gone through and done preventive maintenance as far all of the tap changers. He noted that they had found some hot spots on the transmission switches and addressed it. He stated that they had done dissolved gas analysis to make sure there was nothing in the transformers that could cause a failure.

Mr. Koski shared staff's largest concern, which was that something would happen on the University's system, and everyone would blame EWEB for it. He said in preparation for that possibility staff had conducted a lot of work to ensure nothing would go awry in the EWEB system. He related that trees were the "number one" cause of outages and staff had made sure trees around all of the feeders that served the University or backed up the service had been trimmed. He said they also made sure the trees surrounding the airport area were trimmed because of the increased activity there.

Mr. Koski related that there had been a lot of overhead light maintenance, including pole replacements and cross arm change outs. He said they had been conducting National Electric Safety Code work and Public Utilities Commission (PUC) maintenance that had been originally scheduled to be done in 2009. He stated that older underground feeder cable ran through that area that had a propensity to fail and staff had proactively replaced those as part of the preparatory work.

Mr. Koski reported that the service to the University had been reconfigured so that any nonessential load for the trials had been stripped off to other feeders, in order to strip away any unnecessary exposure. He averred that staff had taken care of everything that had been identified that could present a problem. He felt good about the work.

Water Operations Manager Todd Simmons discussed the preparatory work the water utility had undertaken in advance of the Olympic Trials. He reported that the utility had experienced an incident with low pressure areas in the University area because of a break that occurred a couple of years earlier. He assured the Board that it had been addressed and staff now felt comfortable with the system. He said the utility sometimes had problems meeting the daily and hourly fluctuation in water usage and would be chasing this through the trials. He stated that they had also taken a look at the telemetry in areas in order to get a good read on what would be happening and to closely monitor the system. He related that they had changed the pumping protocols as well.

In response to a question from President Simpson, Mr. Simmons affirmed that the pressure came from the Hayden Bridge Filtration Plant and some base level reservoirs provided some of the pressure.

Mr. Simmons stated that staff was a little concerned about locating valves and had been using global positioning systems (GPS) and had updated the maps. He said they also had looked over the Supervisory Control and Data Acquisition (SCADA) system and had changed some of the pages and some of the things they would look at so that they would have a quick way of identifying what was happening. He added that there would be on call crews.

Continuing, Mr. Simmons related that they would be operating with the Incident Command System (ICS) in a unified status and also in conjunction with the Emergency Operations Center (EOC) that was planned to be set up in Autzen Stadium. He explained that the EOC would be a multi-agency emergency operations center with police, fire, the Oregon Department of Transportation (ODOT), the Department of Defense, and the City. He said EWEB would not be participating unless an event that would affect EWEB facilities occurred. In that case he would work as the liaison officer to the EOC.

Commissioner Brown complimented staff for the outstanding job. He requested that staff debrief with the Board after the Olympic Trials were finished. He hoped that EWEB would call the community's attention to its good work. Mr. Koski responded that he felt the event provided a great opportunity to practice EWEB's incident command structure.

Vice President Farmer asked whose infrastructure was brought in for the new banks of lights and the additional cell tower. Mr. Koski replied that the actual infrastructure belonged to the University.

President Simpson commended staff for "fantastic work." He said EWEB needed to get the message out regarding the work it did to prepare for this event.

President Simpson adjourned the meeting at 7:19 p.m.

Assistant Secretary

President