

EUGENE WATER & ELECTRIC BOARD
SPECIAL BOARD MEETING
LEABURG LIBRARY
LEABURG, OREGON
SEPTEMBER 23, 2008
5:30 P.M.

Commissioners present: Ron Farmer, Mel Menegat, John Brown, and Bob Cassidy. President John Simpson was excused.

Others present: Randy Berggren, Jim Wiley, Tom Buckhouse, Marty Douglass, Jim Origliosso, Debra Smith, Mel Damewood, Steven Newcomb, Karl Morgenstern, Sheila Crawford, Dave Donahue, Regan Lee, and Krista Hince of the EWEB staff; Ken Engleman representing *River Reflections*; Ruth Atcherson, City of Eugene minutes recorder; Joann Ernst and members of the public.

Vice President Farmer convened the Special Meeting of the Eugene Water & Electric Board (EWEB).

WATERSHED PROTECTION PRINCIPLES

Employee, Customer & Community Services Division Director Debra Smith likened the watershed principle policy to a funnel into which the three elements of sustainability would go, i.e. the environmental, economic, and social aspects. She stated that the Board had adopted the environmental policy, Strategic Design 2, in 1997. She said the policy articulated the objectives for EWEB's environmental commitment to customers and the community. She related that the Water Source Protection Plan had been approved by the Board in 2000 and provided high-level objectives for managing drinking water quality and watershed protection. She noted that Board packets included a status report on the plan. She stated that the Board's legacy statement had been approved in 2004 and embodied the vision and values staff utilized to set priorities and contained a strong emphasis on sustainability. She also pointed to the Climate Change Policy, Strategic Design 15, which had been adopted one year earlier and spoke to the greenhouse gas emissions and required a "rolling three to five year plan." She said the first of those plans would be presented to the Board on October 7. She thought one possible outcome of the work of the next year would be a sustainability policy.

Drinking Water Source Protection Coordinator Karl Morgenstern provided a power point presentation on the *Strategic Direction for Developing a McKenzie Watershed Stewardship Policy*, as outlined in the memorandum dated *September 17, 2008*. He showed slides of some of the projects that had been done in the watershed. He underscored the need for stewardship in the McKenzie watershed.

Mr. Morgenstern discussed the approach to monitoring water quality. He stressed that the foundation of the source protection program lay in the development of threat assessments and monitoring. He explained that he worked with a number of agencies, such as the Oregon Department of Environmental Quality (DEQ), the Oregon Department of Fish & Wildlife (ODFW), McKenzie

Watershed Council (MWC) and others, to collect water samples every other month to monitor for a baseline. He said they also looked at storm events, which caused a dramatic increase in turbidity and concentrations of pollutants. He related that they checked the Springfield stormwater discharge, noting that there were three outfalls near the fresh water intake. He stated that there were a lot of pesticides in the stormwater though none were at levels above water quality criteria that went into Cedar Creek and the Kaiser Slough, which then emptied into the McKenzie. He said the creek diluted the stormwater and then the river diluted it further, so that once the water hit the river they had only seen "one hit" of diazinon and it was at a trace level.

Mr. Morgenstern reported on the impacts of forestry practices to the watershed. He said one primary concern was the intermittent streams that came down toward the river, which though not legally required to have a buffer, acted as a conduit for runoff during storm events, including pesticides. He related that they had begun using the notification forms for spraying activity to track the entry of the pollutants. He explained that they focused their monitoring on the creek basins that were being sprayed in order to track what came from them during storm events. He said the same sort of monitoring was utilized for agricultural runoff.

Continuing, Mr. Morgenstern discussed the impacts to the watershed from septic systems. He explained that there were over 4,000 septic systems in the watershed and it was estimated that 25 percent of those were failing. He said the focus was on whether the systems posed a threat to the drinking water. He stated that the highest threat came from septic systems clustered in close proximity to one another and in close proximity to the river. He related that there was a trending increase in shallow wells and surface water from upstream to downstream of nitrogen and bacteria.

Mr. Morgenstern stated that the threat assessment and monitoring activities had garnered interest from universities and others and this had allowed Mr. Morgenstern and the partners to pursue grant funds. He related that the grant funds had been used for projects, such as the agriculture chemical removal event in 2006. He explained that farmers had been given a one-time amnesty to get rid of old chemicals on their farms. He said the partners in that project included the Springfield Utility Board (SUB), Lane County, Oregon State University (OSU) Extension Office, the DEQ, and McKenzie Fire & Rescue and Region 2 HazMat. He stated that funding came from two grants, from the DEQ and from the Governor's Fund for the Environment, and partner contributions were comprised mainly of staff time but also included approximately \$20,000. He described a second project, which had created the spill response program. He showed a map of pre-developed response areas, adding that four McKenzie Watershed Response Team trailers had been parked strategically along the river. A third project provided septic system inspections and servicing for free to systems in the watershed. He said it included a long-term project to remind people of the need to service their septic systems.

Mr. Morgenstern considered the draft strategy to be about providing leadership, leveraging resources, and demonstrating solutions. He said the program had come to a point where it was nearly implemented. He felt there were opportunities beyond water quality to consider such as climate change, land use policies, water use and allocation issues, and other issues that touched on water

quality. He averred that the need for a policy would provide the vision and guiding principles for how to proceed and it would also engage more stakeholders in EWEB's service area. Currently the efforts had largely focused outside of the EWEB area. He thought they could demonstrate leadership through their actions. He cited as an example that a project like the Carmen-Smith relicensing could be guided by the policy objectives, listed in the memorandum. He suggested that EWEB could, in order to set an example, manage its 1,100 acres in the watershed with those objectives in mind. He said they could take the 350 acres of forest EWEB owned and explore the possibilities, such as using it for sustainable timber harvesting for local markets, providing recreational trails, demonstrating the value of forests in the mitigation of slide risks, and accessing the eco-systems services markets. He thought EWEB could use its funds and the grant funds obtained through partnerships for goals such as pursuing active forest conservation easements and setting up or tapping into an existing 501(c)(3) non-profit organization to run the demonstration forest. He added that in this way EWEB would not actually be in forestry, but it would help to build the capacity in other government organizations to do so. He thought this would present a learning opportunity for other forests and watersheds.

Mr. Morgenstern said the Federal Energy Regulation Commission (FERC) required EWEB to mitigate for its impacts to fish habitat, under the Leaburg/Walterville license. He stated that this could be accomplished by putting funds into acquisitions or easements that would protect and restore critical habitat areas. He discussed the four areas EWEB had focused on, with its partners, the Springfield Oxbow, the Chub Slough, the Camp Creek confluence area, and the McKenzie Oxbow. He noted that there were some properties available in those areas, some of which were currently being farmed, and there were easement opportunities. He thought it possible to look at partnerships with agricultural interests to help develop a demonstration farm.

Mr. Newcomb commented that Mr. Morgenstern had been very successful in accessing grant funding, having brought approximately \$1 million in grants into the watershed stewardship efforts.

Mr. Berggren observed that the project had reached a new level. He related that it used to be only an effort related to risk mitigation and water quality. He felt it had evolved into more activities and more opportunities for all of the interests and partners to explore.

In response to a question from Commissioner Cassidy, Mr. Morgenstern explained that they were looking at how the pollution from septic tanks impacted water quality. He stressed that at this point the river was "incredibly clean," but there was some evidence of the bacteria in the creeks. The question would be at what level of development along the river did the tipping point for septic system concentration lie. He hoped that their research would provide the answer within the year. He said the raw water treatment plant had the ability to take out the bacteria and nutrients, but there was a concern regarding the pharmaceuticals that could be in the septic areas. He stated that the work on

this had not yet begun, but they were going to work with the pharmaceutical industry to create a model of the septic cluster areas that would predict, based on the population and what kind of drugs people in Oregon bought, that they should monitor the watershed for certain drugs. He hoped to find out if there were levels of pharmaceutical drugs in the drainage that should cause concern.

Vice President Farmer asked why the pollutants were not evident in the river if they were evident in the creeks. Mr. Morgenstern replied that this was due to the dilution. He said they were using passive samplers that accumulated what was in the water and ultimately enabled staff to look for pollutants measured in parts per quadrillion.

Vice President Farmer asked if anything was reaching a critical level in streams and creeks. Mr. Morgenstern responded that they had not completed the study; it was not possible to monitor everywhere. He thought their research would create a model of how everything was working and then they could project the impact of a potential subdivision or an increase in pesticide use in forestry.

Vice President Farmer asked how close they were to a tipping point in the streams. Mr. Morgenstern replied that there were higher levels in streams like Camp Creek because of the levels of development. He said this was one of the reasons Camp Creek was being used as an education basin. He added that they would not be able to answer the question until the work was completed in a year.

Commissioner Menegat noted that they had talked about acquiring the riparian rights for the Hunsaker property and asked if EWEB was interested in doing that to limit development so that there would not be more pressure on the river. Mr. Morgenstern responded that they had sent letters to homeowners encouraging them to talk with McKenzie River Trust (MRT) to find opportunities to put in easements. He noted that the MWC was heading that effort. Mr. Newcomb added that these were voluntary easements. Mr. Morgenstern stated that in some cases the only way to gain an easement would be to acquire the property.

In response to a follow-up question from Commissioner Menegat, Mr. Morgenstern stated that the priority for riparian easements and acquisition was the land located from the intake to the tailrace in Walterville. Mr. Newcomb added that there were other entities, such as SUB, the Bureau of Land Management (BLM), and Lane County, that were also working on those areas because those corridors had been identified as natural areas easily accessed from Eugene. He said this presented an opportunity to work with them.

Commissioner Menegat asked if EWEB had any opportunity to affect the stormwater out of Springfield. Mr. Morgenstern responded that Springfield had a discharge permit and there was some oversight to ensure it was implemented correctly and comprehensively. He said the Metro

Waterways Study was another vehicle that looked at improvements along the stormwater system for treatment and habitat. He stated that they could also work with the city and use their model to show where the problem areas were.

Mr. Newcomb remarked that the original focus of the Metro Waterways Study had been flooding, brought about by the flood event of 1964. He said there were houses being built in the flood plain that staff knew would be under water if such a flood event occurred again and those were the areas they were targeting.

Commissioner Brown understood that 1 million gallons of effluent was leaching into the McKenzie drainage basin per day and that 25 percent of septic systems were estimated to be failing. He asked if that meant that 250,000 gallons of effluent was going into the river. Mr. Morgenstern responded that not every system was failing and of those 25 percent some were located in the hills and some were individual systems scattered across a field. He said if there was a cluster of failing systems then one could say it would be generating a problem. He stressed that they were working to gain a better understanding of how many of the systems were failing in the McKenzie River Basin.

Commissioner Brown noted that EWEB was embarking on the largest construction project in 40 years with its work at the Carmen-Smith facility. He asked if the work on the Leaburg Fish Hatchery and the projects the Army Corps of Engineers (ACOE) planned to do over the next three to five years were being included in the impacts on the watershed. Mr. Morgenstern confirmed that those projects were all happening at about the same time and would be considered.

Commissioner Brown related that everything on the right side of the river turned green in May between the Roseboro Bridge and Finn Rock. He underscored that this had not happened 20 years ago but now happened every year. Mr. Morgenstern speculated that there might be a tributary coming in close to that area with high nutrient loads. He said he would look into it. He noted that development had increased in that area which also brought a loss of riparian area and an increase in runoff from yards.

Mr. Newcomb stated that the ACOE had added a lot of sediment to the river when it had done its work on the South Fork Tributary. He thought this could have contributed to the algae growth.

In response to a question from Commissioner Cassidy, Mr. Morgenstern stated that EWEB's program offered \$450 to homeowners, \$150 for septic inspections and \$300 for pumping a septic tank out if it needed it. He explained that further repairs could cost anywhere from \$800 to replace a crushed pipe up to \$5,000 to replace the entire system.

In response to a question from Vice President Farmer, Mr. Morgenstern stated that approximately 300 homeowners had participated in the program thus far. He said they would see where the budget was in the grants and would then do another big mailing regarding the program in the spring to area homeowners.

Vice President Farmer asked if there was some kind of criteria that would require a subdivision to install a sewer system instead of septic tanks. Mr. Morgenstern was not certain of the answer, though he knew that Blue River was looking into a combined sewer system. In response to a follow-up question from Commissioner Brown, Mr. Morgenstern affirmed that it was an infiltration system and not a direct discharge system.

Mr. Morgenstern underscored that they were trying to gain an understanding of what concentration of septic systems would create a problem. He noted that a lot of the impacts had to do with soil types and slope. He said when they had a good understanding of what situations caused the greatest impacts they would be able to provide informed public comment based on the data when applications for development were submitted.

Vice President Farmer thought there might be a mechanism EWEB could advocate for that would require some type of sewage treatment or combined septic system if the number of houses exceeded a certain level in a proposed development.

Vice President Farmer asked if there would be funding available in the ACOE projects that EWEB could potentially access. Mr. Morgenstern responded that he could talk to the congressional delegation about potential earmarks. He thought it could present an opportunity to take what the ACOE was doing and leverage it with what EWEB was doing.

Vice President Farmer remarked that he would prefer three to four pages of policy to 50 pages of tactics. He hoped to see the Board engaged in the objectives and for the process to be very interactive. He wanted to see the outcomes and how they would be measured. He suggested they determine the level of priority of the program in order to allocate the appropriate amount of resources to it.

Mr. Newcomb surmised that Mr. Morgenstern's focus was shifting more toward stewardship. He felt EWEB would have the opportunity to leverage other resources. He added that staff could provide the Board with the information needed to make it a more interactive process.

Commissioner Brown stated that he did not have a conflict of interest in the Hunsaker property. He suggested that if EWEB purchased the property the utility should accomplish what it needed to in order to meet its own goals in terms of riparian restoration and its other efforts and then it should "get out of the real estate business" and donate the property to the MRT or the MWC. He underscored the concern that the potential of an 11,000 home development in the McKenzie basin that was subject to a Ballot Measure 37 claim had raised.

PUBLIC INPUT

Ross Penhallegon, Oregon State University Extension Service, Eugene, stated that for the last two years he had been collaboratively working with EWEB, SUB, and agricultural growers up and down the river. He noted that the pesticide collection effort had been the largest in the state and a third one was planned. He stressed that 88,000 pounds of old pesticides and chemicals had been collected. He felt collaboration was the key and there were enough partners to make the watershed protection effort successful. He related that he had visited an experimental farm, along with ten people, and they had all been very enthused about it. He thought there would be opportunities for Mr. Morgenstern and everyone in the county to collaborate. He commented that it had been discovered observationally that one to three houses with septic systems on an acre did not produce measurable levels of effluent but once there were four the nitrate accumulations began to appear in the soil and water. He related that the extension service was trying to develop a landscape certification program that would bring all the elements of balanced planting, drainage, and composting together in one program. He said they were starting to certify people's yards. He supported the work that Mr. Morgenstern and EWEB had undertaken.

Jared Weybright, stated that he worked with the McKenzie Watershed Council (MWC) as a projects coordinator. He stressed that the MWC had not taken a stand on the work that EWEB was doing but on a staff level they wanted to continue working with EWEB staff on the development of a watershed policy. He said it was very consistent with the goals of the council. He listed the five goals of the MWC:

- Protect and restore key fish and wildlife habitats;
- Protect and restore water quality and quantity;
- Facilitate partnerships to advance local stewardship actions;
- Promote community understanding of stewardship through outreach and education;
- Account for investments in the watershed.

He underscored that EWEB's proposed Watershed Stewardship Policy meshed very well with the goals of the MWC. He stated that the MWC was increasingly concerned about the effects of continued development within the flood plain and any kind of expanded stewardship policy from EWEB would help advance the discussion on this issue.

David Richey, Geographical Information Systems Analyst for the Lane Council of Governments (LCOG) and member of the Lane County Food Policy Council, stated that he had worked with Mr. Morgenstern for a number of years on projects, including the hydrologic modeling system and work in some of the agricultural areas. He thought the policy made "obvious sense" as a step from water quality protection to watershed stewardship. He said it also made sense because of how agricultural issues related to water quality and to economic and environmental aspects of Lane

County. He related that the Food Policy Council saw EWEB as a leader in sustainability in the region. He added that as an EWEB customer he was proud to tell his friends and visitors that the water in the Eugene area was the best in the world.

Lynn Fessenden, executive director of Willamette Farm and Food Coalition, explained that the coalition was a community non-profit that had been organizing around farm and food issues since the late 1970s. She said they were working on connecting farmers and consumers and they promoted the purchase of locally grown food to keep valuable agricultural land in production, to keep the farms viable, to enhance public environmental health, and to enhance the local economy. She showed the Board a copy of the coalition's publication, the *Locally Grown Directory*. She stated that the coalition was currently partnering with EWEB in a healthy farms and clean water program and it was exploring possibilities for increasing local markets for growers in the valley. She noted that the coalition received a Partner in Education grant to incorporate watershed protection curriculum in several schools in Eugene and Springfield. She conveyed the coalition's appreciation for EWEB's history of taking a "big picture approach" to watershed protection and that the utility was thinking about agriculture. She also conveyed their support for EWEB to continue this work. She said they looked forward to future partnership with EWEB to help farmers move into sustainable farming practices.

Paul Reed, director of the Upper Willamette Soil and Water District, stated that the district's primary focus lay in working with agricultural activities. He thought the Hunsaker property presented a classic example of how a partnership could work. He noted that the property contained two "micro-eco-regions," with 40 acres of riparian area and the remainder in farmland. He said the MWT was interested in holding an easement on the riparian zone, but would not be interested in the agricultural portion. He related that the soil and water district would be willing to play a role in that land. He averred that there were a lot of people interested in conservation easements as there were many older farmers who wanted to preserve their land after retirement. He said in many cases the farmers wanted some compensation for it. He related that the Oregon Watershed Enhancement Board (OWEB) was interested in conservation easements and required a local partner that could put up a match. He stated that the district was working with a couple of potential acquisitions in the McKenzie Watershed that were either in or immediately adjacent to the flood zone. He thought there was a strong potential for EWEB to be in a position to provide the local match for an OWEB grant for acquisition.

Suzanna Walter, University of Oregon Department of Geography, explained that she was a doctoral student researching ways to use remote sensing to map channel depths on the McKenzie River. She said she had worked with Mr. Morgenstern for approximately a year. She stated that he had helped with data acquisition and had shared the data that EWEB had acquired. She supported the collaborative relationship between EWEB and the University. She averred that doing so not only supported the research of new innovative techniques and developing models but also EWEB ended up with new results and information. She underscored that when she would write grants and teach in her future career as a professor this would be how she would want "science done" as it created a link with the community. She related that she taught classes and students became more involved and

interested in this work because of this link and students came out to the river with her to help with sediment sampling and other activities. She opined that collaborative research was a “no-brainer,” everyone should do it. She said while it could be difficult to get all of the partners in one room to organize the efforts, the end result was stronger because of the collaboration.

Vice President Farmer closed the public input session.

Commissioner Brown thanked everyone for coming. He underscored that he was personally very vested in the water protection and the quality of the river. He declared that the McKenzie River was an incredible blessing for EWEB customers and the water that outlying communities had to drink was not even close to the quality of water EWEB customers enjoyed. He hoped that everyone agreed with the goal of protecting the legacy of that river. He stressed the importance of the Board listening to everyone who lived on the river.

Commissioner Menegat thanked everyone for coming to the meeting.

BOARD ADJOURNMENT

Vice President Farmer adjourned the Special Board Meeting at 7 p.m.

Assistant Secretary

President