

EUGENE WATER & ELECTRIC BOARD
SPECIAL BOARD MEETING
EWEB BOARD ROOM
OCTOBER 21, 2008
3 P.M.

Board Members Present: John Simpson, Ron Farmer, Mel Menegat, John Brown, and Bob Cassidy.

Others Present: Randy Berggren, Jim Wiley, Marty Douglass, Debra Smith, Steven Newcomb, Suzanne Adkins, John Yanov, Catrin Van Donkelaar, Dick Varner, Lance Robertson, Andrew Talabere, Mike McCann, Krista Hince of the EWEB staff; Rich Cunningham, Commissioner-elect; Ruth Atcherson, City of Eugene minutes recorder.

Vice President Farmer convened the Special Meeting of the Eugene Water & Electric Board (EWEB) at 3:06 p.m.

AGENDA CHECK

This item was deferred to the subsequent Regular Board Meeting.

CARMEN SMITH SETTLEMENT AGREEMENT – RESOLUTION NO. 0835

Compliance Manager Suzanne Adkins began the presentation on the *Carmen-Smith Relicensing Final Settlement Agreement*, which included power points, hard copies of which were provided to everyone present. She explained that she had served as the Federal Energy Regulatory Commission (FERC) license compliance manager for EWEB and had participated as negotiation leader for EWEB's team. She believed it to be a good settlement package for the citizens of Eugene and EWEB. She commended the work of the EWEB team, the consultants EWEB worked with, EWEB's attorneys, and the facilitation team. She credited their work for making the package "happen in record speed." She declared that the significance of the settlement agreement could not be understated. She stated that it provided certainty for all of the involved parties, including EWEB, about what would happen with the new license.

Ms. Adkins reviewed the *Summary of Projected Costs*, noting that the most expensive component was the fish screen.

Staff Biologist Andy Talabere provided the portion of the presentation on the aquatic aspect of the settlement agreement. He explained that the Trail Bridge Reservoir filled when the power was being generated and then drained through the night when no power was being generated. He said this regulated the flow in the McKenzie River downstream. He highlighted the *Fish Passage, Fish Protection*, and *Habitat Enhancement and Protection* measures that were planned. He stressed that they would undertake an extensive monitoring program to ensure the measures were working.

Environmental Specialist Mike McCann discussed the non-aquatic portion of the settlement agreement. He said the partners in developing this aspect of the agreement were the United States Forest Service (USFS), primarily, the Oregon Department of Fish & Wildlife (ODFW) wildlife division, Oregon Parks and Recreation, and the Rocky Mountain Elk Foundation, among others. He reviewed the *Recreation Improvements*. He noted that the *Vegetation Plan Highlights* included the enhancement of plants that were culturally significant to the tribes. Regarding the *Wildlife Plan*, he explained that spinning pieces of metal were used for visibility enhancement for birds on power lines; the large orange balls were no longer being used. He stated that EWEB would be managing a lot of the lands that were not part of the reservoir for terrestrial habitat for the wildlife. Regarding the rerouting of Deer Creek, he said it would be collocated with the Forest Service Road and moved out of the riparian zone. He stated that there were also plans to restore the riparian area to improve the shade over the water.

Environmental Manager Steven Newcomb reported on the *Ties to Strategic Directions* from the Board. He reviewed the *Environmental Scorecard*, the *Social Scorecard*, and the *Economic Scorecard* for the settlement as it related to Board direction.

Ms. Adkins summarized the presentation. She invited the Commissioners' comments and questions.

Commissioner Cassidy asked where the visitor center that was planned for Trail Bridge would be located. Mr. McCann responded that the actual location had not been identified at this point, but it would be located somewhere in the Trail Bridge Campground.

Vice President Farmer observed that the Smith bypass would be built so that excessive flushing of water through the canyon in a high water event could be prevented. He asked where the water would be diverted. Mr. Talabere replied that the bypass was at the powerhouse and tapped into the power tunnel, coming into the reservoir next to the powerhouse outfall.

Vice President Farmer asked how this would prevent the extra water from passing out into the canyon area. Mr. Talabere responded that currently if there was a power outage and the turbines shut down and if there were a storm event with a lot of water coming into the system, the spillgate on the Smith Dam opened and all of the water would go down it. He explained that the change would be that if those turbines shut down a valve would open in the tunnel upstream of the turbine and the water was shunted around into the Trail Bridge Reservoir, completely bypassing the Smith River. Mr. Newcomb added that it had been designed to avoid almost all spilling except for major flood events, such as the one that occurred in 1964.

Vice President Farmer asked why the three Indian tribes had been selected, given that there were many tribes that had been affiliated with the area. Mr. Talabere replied that they gave the location of the project to the State of Oregon's Council on Indian Affairs and they made a recommendation on whom to consult with. He said in this case the primary people involved in this area were from the Mollalla Tribe and they had been sent to a number of different reservations. He stated that they were primarily working with the tribes on the Grande Ronde Reservation because some of the Mollalla people had been sent there and they were also working with some of the people on the Warm Springs Reservation because it was known that they had frequented the area. They were also working with the Siletz Tribe because they were included in the recommendation.

Commissioner Brown asked how the ten-foot drop for the fish was being addressed when the level of the reservoir fluctuated. Mr. Talabere responded that at the upstream end of the ladder the steps continued – the water went through a tunnel and around the end of the dam and came out in the reservoir at “low pool” and continued with steps and each step had a gate. He explained that as the reservoir fluctuated the gates were to open and close.

Commissioner Brown asked what reasonable expectations there were of the environmental impacts the construction would cause over the course of the project. He observed that the ACOE (Army Corps of Engineers) work on Cougar Reservoir had caused a great deal of turbidity. Mr. Talabere replied that there were different aspects to the banks and the geology and sediment of Trail Bridge relative to Cougar Reservoir. He said Trail Bridge Reservoir was also smaller. He thought they would learn from their mistakes. Ms. Adkins added that the project would be “tightly permitted” by the ACOE and there would be water quality certifications and tight controls on construction.

Commissioner Brown asked what would happen if the fish ladder were constructed and the fish did not use it. Mr. Talabere responded that there was not much they could do in this event, but he believed it to be a very remote possibility. He pointed out that if one visited the spawning channel one could see the fish coming into the spawning channel and staying there looking for a way to proceed. He predicted that a lot of fish would go past the channel and use the ladder.

Commissioner Brown asked if they would consider an alternative if the fish did not move as predicted. Mr. Talabere surmised that Commissioner Brown was referring to a trap and haul program. He said there was nothing in the settlement agreement that addressed this. General Manager Randy Berggren underscored that the assumption was that the fish would use the ladder. Mr. Talabere added that there was no reason to think they would not.

In response to a question from Vice President Farmer, Mr. Talabere stated that the entrance to the ladder was almost directly across the river from the top of the channel.

In response to a question from President Simpson, Mr. McCann said at this point the transmission line corridor was 19 miles long and the lower six miles were a patchwork of private easements that EWEB held and rights-of-way on Forest Service land. He stated that once a person went past the easements it was all Forest Service land. He explained that there were some areas that were behind gates and some that were completely open. They proposed to install more gates to further limit access so that very little of the corridor would be open to people driving up there.

Commissioner Menegat, seconded by Vice President Farmer, moved to approve Resolution No. 0835, a resolution supporting the relicensing of the Carmen-Smith Hydroelectric Project by authorizing the General Manager to sign the Carmen-Smith Settlement Agreement and by authorizing the General Manager to sign the Intergovernmental Agreement with the United States Department of Agriculture. The motion passed unanimously, 5:0.

Everyone in the room applauded.

Vice President Farmer asked all of the EWEB staff who participated in the settlement to stand up. He commended them for their work, crediting them with the successful conclusion of the settlement agreement. The Commissioners gave staff a round of applause.

Commissioner Menegat echoed the praise. He said it had been a privilege to be part of the process and to see the settlement reach fruition. He felt the key to its success had been the collaborative process EWEB had engaged in with the 16 entities that it worked with. He averred that with this collaborative process in place any issues that arose during the construction would be addressed.

President Simpson appreciated how much staff had adhered to the strategic direction the Board had given, especially in providing an open and inclusive process. He especially appreciated the willingness to give and take that had been demonstrated by all of the parties involved.

The meeting concluded with another round of applause and President Simpson adjourned the Special Board Meeting at 3:52 p.m. to the Training Room to participate in the signing of the agreement.

Assistant Secretary

President