

EUGENE WATER & ELECTRIC BOARD
REGULAR BOARD MEETING
EWEB BOARD ROOM
500 EAST 4TH AVENUE
MAY 5, 2009
6:30 P.M.

Commissioners present: Ron Farmer, John Brown, Bob Cassidy, Rich Cunningham, and Joann Ernst.

Others present: Randy Berggren, Sheila Crawford, Patty Boyle, Jeannine Parisi, Dick Varner, Jim Wiley, Jim Origliosso, Debra Smith, Brenda Sirois, Lance Robertson, Eric Hiasen, Tom Buckhouse, Mel Damewood, Garilyn Johnston, Jay Bozievich, Dean Ahlsten, Kevin Biersdorf, and Krista Hince of the EWEB staff; Ruth Atcherson, City of Eugene minutes recorder.

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

AGENDA CHECK

There were no changes to the agenda.

PUBLIC INPUT

Mel Menegat, Eugene ratepayer, spoke in support of Resolution 0906, a resolution authorizing a contract with Seneca Sustainable Energy. He stated that the item had been before the Board for some time and the Board had reviewed the 107-page backgrounder. He underscored that the facility qualified as a renewable energy source and was included in the Integrated Energy Resource Plan (IERP) as an energy source. He said EWEB had conducted the environmental, economic, and social evaluation and found the project to be consistent with the sustainability values of the Board. He recalled the original April 19 backgrounder, which discussed the firm power in the out years post the new Bonneville Power Administration (BPA) contract in 2011. He averred that the project would play a critical role in the utility's reliability and its ability to serve its customers. He urged the Board to support the resolution.

Jesse Hough, Eugene ratepayer, submitted his testimony in writing. He said he was speaking on behalf of the Northwest Institute for Community Energy (NICE). He explained that he was a senior at the University of Oregon, graduating with a degree in General Science. He related that his best experience as a student had been organizing around energy, climate change, and getting people involved with the Oregon Student Public Interest Research Group (OSPIRG). He had been helping to organize events to work toward "making a change around sustainability." He stated that through his organizing experience he had formed a coalition consisting of a network of students throughout the northwest called Cascade Climate Network that collaborated on various projects regionally. He noted that one project they had put together had been the NICE. He said they had been able to get a grant the previous summer to run a program in southeast Portland in which they had done grassroots

organizing and had garnered a \$12,500 grant from the City of Portland to conduct a feasibility study, which had ultimately resulted in the formation of a non-profit. He related that they planned to do similar work in the coming summer in Corvallis, Portland, and Eugene. He described the proposed Eugene program, for which they had been building connections with the University of Oregon. He noted that it had been endorsed by Eugene Mayor Kitty Piercy and Lane County Commissioner Rob Handy. They were trying to bring people together to catalyze sustainable energy efficiency, renewable energy, sustainable transportation, local foods, and responsible waste. He stated that students participating would receive credit. Students and community members would come together for “think and do tanks,” i.e. they would come up with projects and then go out and do them.

Commissioner Ernst asked who the other funding partners were. Mr. Hough replied that the other funding partners included the University of Oregon student government, which had allocated a \$3,000 grant, and the Oregon Campus Compact, which committed \$1,000 to NICE, and the national partner, Summer of Solutions, was working to garner \$3,000 to \$4,000 for the efforts. He also predicted that they would raise over \$2,000 for the program with grassroots efforts.

Natasha Holtman, Eugene ratepayer, stated that she was the think tank coordinator for NICE. She described her past organizing work in Minnesota. She believed the efforts of the NICE program would help Eugene to reach a level where the community members had the leadership skills to advocate for a sustainable future. She said she also had canvassed in Minnesota. She thought they would be able to talk to at least 100 households about the low-income weatherization program that was available through EWEB. She provided a list of “Eugene deliverables.”

Martin Desmond, Springfield, spoke on behalf of the Department of Forestry Biomass Working Group. He underscored that the group did not take specific stances on proposals, but the Seneca power project appeared to fall within the group’s goals and objectives to find better use of forest biomass in Oregon. He had reviewed the documents provided by the Good Company and EWEB staff and felt they substantiated this. He cited Appendix C of the Good Company report, which analyzed and compared the emissions between open slash burning and burning in cogeneration facilities and concluded that the forest management of slash used for fuel for biomass provided environmental benefits over open burning. He stated that the Oregon State Legislature had determined biomass to be a renewable source of energy.

Eric Silverberg, Eugene ratepayer, provided his testimony in writing. He averred that the Board had a strong reputation among energy providers in terms of conservation, energy efficiency, and providing renewable energy. He found it a “shame” that the Board would “choose to sully that reputation” by purchasing electricity from the Seneca biomass facility. He had provided copies of the op-ed article he wrote for the *Register Guard*. He disputed the op-ed piece that had been submitted by a proponent of the proposed facility. He asserted that there was a big difference between whether the facility would be profitable and whether it would be a sound investment for the community. He opined that they could not allow a company’s right to pursue a profit conflict with the “community’s best interest.” He alleged that biomass “usually provided a negligible amount of energy in return for

the amount invested.” He believed this would be another lesson the community would learn through the loss of its air quality and forests. He asserted that the real issue was increased energy conservation. He did not want to expand the power supply by 18.8 megawatts (MW); he wanted to reduce the demand by 18.8 MW. He suggested that they should retrofit homes, adjust street lighting, and coordinate work and school schedules so that everyone did not “live exactly by the same clock.”

He indicated that he had provided the Board with a list of 75 suggestions to conserve energy. He declared that “burning [the] forest” for electricity was “not a cool idea.”

John Flannery, Eugene ratepayer, offered a “cautionary point.” He said any business should be concerned about the products it provided. He considered Green Power to be one of EWEB’s products. He asserted that if the Seneca biomass project was included in Green Power it would be tantamount to “tinkering with a successful product.” He believed that the demographic of people who purchased Green Power were probably also concerned about the logging of the forests. He predicted that people might not feel that they would want to purchase Green Power in this case. He opined that biomass power generation provided an economic incentive for logging.

Samantha Chirillo, Eugene ratepayer, provided printed handouts for the Board. She stated that she was testifying on behalf of the Citizens for Public Accountability (CPA). She asked the Board to consider delaying its decision on whether to enter into a contract with the Seneca biomass project until after EWEB’s public involvement process. She believed that if there were concerns about public health, the Board would want that information. She asserted that the Seneca project was not “green.” She averred that “spending taxpayer money” on a project that took advantage of “clear cutting, herbicide poisoning of rural Oregonians, and forestry practices that [were] so unsustainable as to drive Seneca out of the structural lumber business and into burning forest biomass for energy” was wrong. She alleged that Seneca was clear cutting old growth forests in EWEB’s watershed in the “trapper timber sale.” She felt there were other pursuits that people could work on together for real renewable energy. She also added, on her own behalf, that she had recently graduated with Master Degrees in Biology and Public Policy. She listed some of the classes she had taken and some of her accomplishments as a student. She had chosen to participate in the Green Power program, though she had been a struggling student, but if EWEB decided to enter into the contract with Seneca for its biomass energy she intended to boycott Green Power.

Mark Rabinowitz asserted that the proponents of forest bio-fuels called Oregon the “Saudi Arabia of wood power.” He opined that this was true because Oregon once had more trees than anywhere else. He claimed that there was so much logging that instead of logging trees that were hundreds of years old, wood products industries were now making plywood and wood chips “with what’s left.” He likened this to the “peak oil” situation in Saudi Arabia. He believed that purchasing power from the Seneca project would violate EWEB’s climate change policy. He averred that clear cutting disrupted the climate and rainfall patterns. He asserted that EWEB had not made public

requests that Seneca admit “what chemicals, what herbicides” would be burned in the facility. He listed some of the health problems associated with herbicides. He declared that EWEB should demand a moratorium on clear cuts and herbicides in the forest. He promised to publicize that the Green Power program would “now promote herbicide and clear cut of our forest that disrupted the climate and caused cancer.” He opined that there was nothing sustainable about biomass generation.

Kathy Ging, Eugene ratepayer, declared that using forest biomass was not sustainable. She considered this to be a false assumption. She opined that because the federal and state governments had tried to do a “quick fix” and replace foreign fuels by using “shotguns and chainsaws” on the forest biomass to supply the “already overloaded power grid.” She averred that the power grid was also aging and they should think about new ways to get power to people. She believed that the government had set up incentives for forest biomass and had grouped it with all biomass. She did not think a “leading edge community” like Eugene and a utility like EWEB should allow the plant to be subsidized. She alleged that the plant would receive \$10 million in government subsidies and would put 485 tons of contaminants in the air. She asserted that only the people who were making money wanted the plant to be built. She urged the Board to deny the approval of Seneca “based on reasons already cited.” She alleged that Lane County had “received a ‘D’ by the American Lung Association.” She indicated she would also support a Green Power boycott, should the Seneca project go forward. She provided a note from Steve Johnson, a long-time member of the Eugene Toxics Board, which recommended that the company be asked to voluntarily report to the Toxics Board.

Nishan Vanatta, Eugene ratepayer, stated that air had no boundaries. She read a poem in regard to the Seneca biomass facility and the local airshed. She indicated her opposition to the project.

Commissioner Ernst thanked everyone for their testimony.

APPROVAL OF CONSENT CALENDAR

Minutes

1. March 17, 2009, Regular Board Meeting

Contracts

2. HDR Engineering, Inc. – Electric Engineering and Design Services – Electric Division - \$100,000
3. Oldcastle Precast Inc. – Precast Concrete Utility Products – Electric Division - \$900,700
4. Public Power Council – Administrative Services for BPA Slice Contract – Power Resources Division \$25,000 annually
5. Selectemp, Inc. – Temporary Staffing Services for the Geographics Department – Corporate Services - \$45,000

6. Unifilt Corp. – Hayden Bridge Water Filtration Plant Filter Media – Water Division - \$101,100

Agreement to Contracts

7. Various Contractors – To provide irrigation audits and installation of sprinkler nozzles for a multi-stream multi-trajectory matched precipitation rate sprinkler nozzle retrofit study – Water Division - \$60,000

Request for Donation

8. Request from the Northwest Institute for Community Energy (NICE) to provide funding for a 2009 grassroots-oriented summer program project, focused on sustainability or energy efficiency – Public Affairs – Employee, Customer & Community Services Division - \$6,000 to \$8,000

Commissioner Cassidy pulled Item 8.

Commissioner Ernst pulled Item 5.

Commissioner Cunningham, seconded by Vice President Brown, moved to approve the Consent Calendar with the exceptions of Items 5 and 8. The motion passed unanimously, 5:0.

ITEMS REMOVED FROM THE CONSENT CALENDAR

Commissioner Cassidy had read the backgrounder for Consent Calendar Item 8 and had been impressed by the enthusiasm of the people involved in NICE. He had some anxiety because the backgrounder had seemed “a little bit airy.” He hoped that NICE would concentrate on energy conservation for houses. He commented that it would “be nice to see them focus a little bit.” He thought that what EWEB would donate should be contingent on NICE having firmed up its other funding sources.

President Farmer asked if Commissioner Cassidy was suggesting making a motion with stipulations or was he asking to have it brought back at a later date. Commissioner Cassidy responded that he was not ready to make a motion.

Commissioner Cunningham commended the students for the work they intended to do. He said he would be inclined to give NICE \$4,000 and having the County provide \$1500 and the city provide the rest. He remarked that the city had added to its revenue stream by raising its wastewater charges. He thought this could be an area from which they could contribute.

Vice President Brown trusted staff’s recommendation. He believed they would work to tighten up the proposal.

Lance Robertson understood that Commissioner Cassidy sensed some ambiguity in the proposal. He said this was because the group’s proposals were still “just coming together.”

General Manager Randy Berggren clarified that staff had indicated they needed time and a more specific proposal. He related that staff was working with NICE to refine the proposal. He reiterated that he currently operated with up to \$2,000 discretion on any donation request, but in this case they were asking for \$3,000 to \$5,000.

Commissioner Ernst thought it was exciting to see people coming forward “with this type of energy.”

Mr. Berggren noted that he had \$10,000 in discretionary money per year and currently had \$6,500 left for all donation requests.

Mr. Robertson said staff wanted to leave the door open in case there were other worthy requests.

Commissioner Ernst thought they should pick an amount and donate it to NICE.

Commissioner Cassidy indicated that he could support giving them an amount not to exceed \$5,000.

Vice President Brown, seconded by Commissioner Cunningham, moved to approve Consent Calendar Item 8, a request for a donation from the Northwest Institute for Community Energy. The motion passed unanimously, 5:0.

Commissioner Ernst explained that she had pulled Item 5 out of curiosity. She asked if someone had already been hired for the position. Kevin Biersdorf replied that no one had been hired. He said they had found someone who had worked for EWEB in the past, had worked very well, and had been referred to Selectemp.

Commissioner Ernst asked if the person was retired from EWEB. Mr. Biersdorf responded that the person was a student they had learned of from Lane Community College (LCC).

Commissioner Ernst, seconded by Commissioner Cassidy, moved to approve Consent Calendar Item 5, a Selectemp contract for temporary staffing services for the Geographics Department. The motion passed unanimously, 5:0.

ITEMS FROM BOARD MEMBERS

Commissioner Cunningham reported that he had attended the Lane Council of Governments (LCOG) meeting two weeks earlier, at which a presentation had been made by Lane County Sheriff Russ Burger. He related that law enforcement had been “hamstrung” in the County because of the lack of jail beds. He said LCOG members were asked to go back to their boards to suggest members

contact the commissioner who was considered a “swing vote” on the issue, Commissioner Bill Fleenor. He felt the Sheriff had made a good case for the addition of jail beds, because at present the jail was releasing the highest rated felonies because they did not have the funds to keep them incarcerated. He encouraged the EWEB Commissioners to send an email in that regard.

Vice President Brown said he would appreciate staff pursuing the possibility of providing water to Junction City, because of the new facility. He also noted that in conversations with Mark Oberle and others regarding the master plan and what it did and did not include it had come to light that he had been under the impression that everything north of 4th Avenue was included in the master plan area but Mr. Oberle thought differently. He asked the General Manager to follow up on that and clarify the boundaries.

Commissioner Cassidy said he had requested background information on the peak loads churches were receiving. Mr. Berggren indicated he would get the information to Commissioner Cassidy.

President Farmer reported that he and Mr. Berggren had held a conference call with the Snohomish Public Utility District (PUD) during the previous week. He noted that Snohomish was ten times the size of EWEB. He said the Snohomish PUD was seeking EWEB’s advice on how EWEB passed through BPA rate increases. He related that they had spent a little over half an hour on the phone and Snohomish had thanked them for it. He had also attended a meeting at the invitation of Northwest Natural Gas that celebrated its 150th anniversary. He said they viewed themselves not as a utility, but as a transportation company that sold natural gas at cost and made a profit in transporting it. He thought it was also interesting that in spite of the decline in prices that they had seen in natural gas, it was not likely that EWEB would see a drop in prices for another six to nine months because the higher prices were locked in until then. He added that Northwest Natural Gas did not sell gas to entities that produced electricity.

Vice President Brown noted that in viewing the City of Eugene’s budget projections for the next year he had seen that it projected a decline in the Contributions In Lieu of Tax (CILT) of almost \$800,000 a year. He said they were factoring in what may happen with the BPA increase in the fall. Mr. Berggren responded that EWEB was a little confused on what the city was basing its numbers on. He said they were still “chasing those numbers” and EWEB did not agree with the numbers set forth by the city. He stated that EWEB staff was in communication with city staff about this.

CORRESPONDENCE

Mr. Berggren passed around awards that EWEB had received, including the Arbor Day Foundation Tree Line USA Utility Award – this was the third year EWEB had received this award. He explained that EWEB was one of only three utilities in Oregon that received this designation. He passed around the RP3 Reliable Public Power Award that made EWEB a platinum member for 2009/2010. He noted that this was the second time EWEB had received this recognition, awarded on

a biennial basis. He explained that RP3 stood for Reliable Public Power Provider and the award was based on a demonstrated proficiency in four key areas: reliability, safety, workforce development, and system improvement. He stated that there were only 60 utilities out of over 2,000 public providers that received this designation and only 40 had received the platinum level. He underscored that this placed EWEB in the top 10 percent of public utilities.

Mr. Berggren reported that EWEB staff would be at the Chamber of Commerce Local Government Affairs Council on May 8, along with Seneca staff, to talk about the biomass project. He noted that the Board background information included under “miscellaneous” information that was provided to EWEB by Oregon Toxics Alliance (OTA). He said at the last meeting he had committed to giving it out.

Continuing, Mr. Berggren noted that EWEB would be receiving its Safety Break Award on Wednesday, May 13, from 11:30 a.m. to 2 p.m. He said they would be receiving the Occupational Safety and Health Administration (OSHA) Safety Health Achievement Recognition Program (SHARP) five-year award. EWEB’s safety program had earned the award over the past five years. He invited the Commissioners to come to the celebration. He said they would also be presenting their “best of the best” awards, awards given based on peer nominations.

Mr. Berggren announced that Family Day was planned to be held on May 9 from 9 a.m. to 1 p.m. at Hayden Bridge, which would include all of EWEB’s equipment and vocational trades in preparation for May 11, which was a Career Day, also scheduled for 9 a.m. to 1 p.m., for students interested in opportunities for journey vocations in trades that EWEB used to do its work.

Mr. Berggren called attention to the following items of correspondence:

- Board packets included the quarterly pending litigation report from EWEB counsel Win Calkins;
- Packets also included an update on the provisional settlement agreements they were working through regarding violations of the North American Electric Reliability Corporation (NERC) standards – EWEB was obligated by its agreements with NERC to keep this information confidential;
- Community and Local Government Outreach Coordinator, Jeannine Parisi, and Patty Boyle had submitted a memorandum regarding *City of Eugene Rate Changes* on stormwater fees;
- Lisa McLaughlin, Staff Biologist, and Cheri Wilson, Associate Engineer, provided the Board a memorandum regarding the *Walterville Fish Return Channel Modifications*;
- Key Accounts Program Manager, Mike Logan, provided the Board an update on *Federal Economic Stimulus Projects*.

BOARD AGENDAS

Mr. Berggren provided the *Board Agenda Report* dated *May 5, 2009*. He related that he had added an item regarding the customer complaint process, currently scheduled for June 2. He noted that the Board Governance item scheduled for May 8 had been canceled. He planned to schedule a check-in on governance for June 2. He said the Snohomish PUD Board planned to share its perspectives on the Carver governance work they had done.

Commissioner Cunningham suggested that the Board might want to put a discussion on Mr. Berggren's potential future retirement on the agenda. President Farmer recommended that the subcommittee on General Manager Replacement give a report on the status of its work.

2009 ELECTRIC CAPITAL PLAN

Dean Ahlsten, Systems Engineering & Substation Reliability Manager provided a brief review of the *2009 Electric Capital Plan*. He requested Board approval.

President Farmer noted that the Board discussed the Electric Capital Plan at length at its April 21 meeting.

Vice President Brown asked if AT&T was partnering in the Carmen-Smith telecommunications work or was it leasing from EWEB. Mr. Ahlsten replied that AT&T was making an equity contribution up front.

Commissioner Cunningham, seconded by Commissioner Cassidy, moved to approve the revised 2009-2013 Capital Improvement Plan, Major Capital Project Budget Amendment No. 3, the Omnibus Budget Amendment No. 4, and the amendment to the Major Capital Projects List in the 2009 Budget Estimate Document to add Jobs 30776, 31699, and 32236 and to remove Jobs 25894 and 24497. The motion passed unanimously, 5:0.

2009 WATER CAPITAL PLAN

Water Engineering Manager Mel Damewood highlighted the *2009 Water Capital Plan*.

President Farmer noted that the Water Capital Plan had also been discussed in detail at the meeting held on April 21.

Vice President Brown, seconded by Commissioner Cunningham, moved to approve the revised 2009-2013 Water Capital Improvement Plan, the Major Capital Improvement Budget Amendment No. 5, the Major Capital Projects to be Monitored, and the Omnibus Budget Amendment No. 6. The motion passed unanimously, 5:0.

SENECA POWER PROJECT

Senior Resource Analyst Brenda Sirois reiterated that the Seneca Power Project was consistent with EWEB's values, policies, and the IERP. She stated that staff had evaluated the project using criteria to measure the cost, the reliability, the diversity, and the sustainability attributes of the project. They had also evaluated the project in the context of other viable and similar potential projects such as natural gas generation, geothermal generation, hydroelectric generation, and nuclear power generation. She acknowledged that the disadvantage of the project was that it did have local environmental impacts associated with air emissions. She said staff also knew that the project, from a total system perspective, most optimally met the community's need for reliable cost-effective sustainable power.

Mr. Berggren stated that, based on the analysis staff had conducted, they believed the project would provide an economic benefit for the citizens of Eugene and that it would provide environmental benefits. Staff considered the project to be sound and recommended approval.

Commissioner Cassidy was concerned about the protection of EWEB and the protection of its ratepayers. He understood the need for alternative sources of energy and he agreed that the source would provide that energy. He believed that the environmental impact had not been fully addressed by staff, but he understood that this was the purview of the Lane Regional Air Protection Agency (LRAPA). He felt they should consider environmental impacts as a part of the criteria used to analyze such projects. He asserted that "many in the community" lacked confidence in LRAPA's ability to enforce standards. He also did not think the wording in the contract was sufficient to indemnify EWEB from potential lawsuits stemming from potential adverse health impacts caused by the biomass facility. He intended to vote against the proposal.

President Farmer declared a potential conflict of interest, as Seneca banked with his place of employment. He had sought two separate legal opinions, not at the cost of EWEB, and both indicated that he did not have a conflict of interest, nor a potential conflict of interest. He had decided to make the declaration to be "on the safe side."

Commissioner Cunningham acknowledged that the issue had generated a lot of community discussion. He had placed a lot of confidence in the Good Company report, noting that Mayor Piercy had lauded the organization. He said every environmental report the Board had received seemed to be aligned with it. He wondered if anyone concerned about air quality had ever questioned the air pollution controls on the crematorium located on West 11th Avenue. He believed that cancer viruses could live in the environment after a person died and wondered what level of carcinogens was being emitted by the crematorium. He speculated that the Seneca facility would actually emit less carcinogens than the West 11th Avenue funeral home. He said staff's work and everything he had read had lead him to believe that it was in the best interest of the citizens of Eugene to purchase power from the Seneca biomass facility.

Commissioner Ernst thanked everyone for their input. She thanked EWEB staff, the Oregon Toxics Alliance, and everyone who had come out to provide public input or who had submitted letters. She felt that staff done a good job of engaging Seneca in discussions about emissions. She underscored that EWEB was supposed to provide affordable water and electricity to its customers. She thought that EWEB had done a good job of this. She believed that as green sources of energy became available, EWEB would have to take more responsibility for the environmental impact and people's health. She suggested that people opposed to considering biomass a form of green energy work to change that at the legislative level. She also thought the public could provide input to the regulatory agencies that would be monitoring the project's emissions. She stated that the public would have an opportunity to weigh in on the next IERP process, so that in the future when another source of energy such as Seneca came forward EWEB would have something in place to address it. She agreed with Commissioner Cunningham that it would not be good to pass up on the potential generation that would come from the facility. She indicated she would support the resolution.

Vice President Brown thanked everyone on both sides of the issue. He agreed with Commissioner Cassidy that one could not always trust the government to look out for one's interests. He believed that EWEB had become a leader in the United States because of its good staff who would not be afraid to say no to this type of project if the benefits were not there. He underscored his passion for the environment, the water, and living things like the salmon. He pointed out that there was no dam that helped salmon. He felt the diversity the project offered was good and he approved of the fact that Seneca had come to the table with more than the minimum standards for emissions controls. He considered it good that Eugene had LRAPA to regulate the airshed. He said solar and wind powers were great resources, but EWEB needed a resource that provided power, as former Commissioner Mel Menegat "when the sun did not shine and the wind did not blow." He averred that they needed to look at the entire spectrum of power resources. He stated his intent to support the resolution.

Commissioner Cunningham, seconded by Vice President Brown, moved to approve Resolution 0906, a resolution authorizing a contract with Seneca Sustainable Energy. The motion passed, 4:1; Commissioner Cassidy voting in opposition.

SPRING BOULEVARD RESERVOIR

Senior Water Engineer Jay Bozievich showed slides of the Spring Boulevard area. He stated that they had arrived at two potential options, a buried 750,000 gallon reservoir on Mount Baldy or a secondary pump station with a back-up diesel generator in the area of 43rd Avenue and Spring Boulevard.

Commissioner Cassidy asked how many people had shown up for the public meeting. Mr. Bozievich replied that ten had attended. He related that the two biggest concerns expressed were what it would look like and how noisy it would be. He added that EWEB was only allowed to increase the ambient decibels of the neighborhood by ten decibels at any given time of the day or night by law.

Vice President Brown asked if that restriction would also apply during a catastrophic event. Mr. Bozeivich understood, from the Oregon Administrative Rules (OAR), that there were exceptions for extraordinary circumstances.

Community and Local Government Outreach Coordinator Jeannine Parisi pointed to the cost comparison, which showed the two projects side by side. She noted that the backgrounder had included concerns expressed by neighboring residences and some of the commitments they had made to those groups in terms of design, if they opted to build a pump station. She added that this was the first time EWEB had instituted the American Public Power Association (APPA) public process all the way through. She had been pleased that they had come to a community-supported solution for a pump station. She believed they could come up with ways to mitigate the neighbors' concerns.

Ms. Parisi wanted to publicly thank the task team members for all of their help through this process. She said, with the Board's permission, she would draft a letter of thanks to them.

Vice President Brown asked why the tunnel for the pipe would be bored. Mr. Bozievich replied that it was for environmental concerns. He said the task group was provided the open trench and the tunneling options and had rejected the trench early on because it required a corridor straight through the Ridgeline Park from end of Spring Boulevard to EWEB's property that would be about 20-feet wide.

In response to a follow-up question, Mr. Bozievich confirmed that boring increased the cost five-fold over digging a trench.

Commissioner Ernst observed that the bottom line was that EWEB was trying to provide water service to that area. It seemed to her that EWEB had gone "over and above" what it needed to do. She thanked staff for doing this.

Vice President Brown was curious as to how the city had granted some 200 building permits without gravity flow fire protection. Mr. Bozievich responded that there had been a disconnect between insurance regulations and how an area was rated and the actual building process. He explained that the building permit process was concerned with whether a fire flow test could be taken from a hydrant at a certain amount of gallons per minute. It did not address what would happen in a power outage. He noted that the permits were tied to the National Fire Protection Agency (NFPA) which dictated that a 3,000 square foot building would need 1,000 gallons per minute from a hydrant within a specified distance, as an example.

Vice President Brown expressed some concern that EWEB could end up in the same situation in the future, if a discussion on expanding the Urban Growth Boundary (UGB) was held. He hoped EWEB would have a seat at that table when the discussion occurred. Ms. Parisi noted that EWEB staff was on the technical advisory group for the buildable lands inventory. Mr. Bozievich added that task team member, Phillip Carroll, currently served on Eugene's Planning Commission. He felt that meant that there was at least one Planning Commissioner that understood this.

President Farmer observed that the backgrounder indicated that EWEB would commit to never using the property for anything other than pump station related uses. He had some concern that this would tie the hands of a future Board if that pump station failed. He wanted to be clear that this Board was not saying that the site would never be used for anything else in the future. He stressed that it was clear that this was the use they intended for the site at this time; the Board had no other intentions for the property.

Commissioner Ernst, seconded by Vice President Brown, moved to approve Resolution 0908, a resolution authorizing service provisions for the Shasta 1150 Service Area. The motion passed unanimously, 5:0.

ADJOURN

President Farmer adjourned the Regular Board Meeting at 8:05 p.m.

Assistant Secretary

President