

Petition seeks public vote on EWEB bonding

By Jeff Wright, The Register-Guard, Published: April 9, 2008

A Eugene environmentalist has filed a referendum petition to give city voters a say on whether the Eugene Water & Electric Board should be allowed to issue \$85.5 million in bonds to finance a new operations complex in west Eugene.

Joshua Schlossberg and other volunteers have until April 28 to collect signatures from 4,208 registered city voters — 5 percent of the electorate — to force a public vote on the question at a special election on Sept. 16.

EWEB officials say that, if successful, the referendum campaign would delay the project by nearly a year and push up construction costs by \$4 million to \$6 million. It also could delay efforts to redevelop the 20 acres of prime riverfront property that EWEB plans to sell after moving its current operations facilities to a new site at Roosevelt Boulevard and Belt Line Road.

The referendum drive marks the first time an EWEB bond proposal has been challenged since the enactment of a 1993 state law that allows the utility to issue bonds with just the approval of the City Council. The law requires a public vote only if a petition referendum is successful.

EWEB commissioners unanimously approved the bonding plan, as did the City Council, though on a 5-3 vote, back in February. At the time, councilors Bonny Bettman, Alan Zelenka and Betty Taylor favored putting the question before voters.

Schlossberg said he filed the petition on behalf of Cascadia's Ecosystem Advocates, a volunteer group affiliated with the League of Wilderness Defenders. He said the organization that he works for, the Native Forest Council, is not involved in the petition campaign.

Schlossberg said signature gatherers are not taking a stand on the merits of the EWEB project, but feel voters should be allowed to decide the matter "when such massive sums of money are being utilized for bonds."

Shannon Wilson, chairman of the Sierra Club's local Many Rivers Group, said the group's executive committee voted last week to oppose EWEB's building proposal. The committee's concerns, he said, include EWEB's intention to build on undeveloped land that includes wetlands, and the proposal's timing in light of the possible economic recession.

"We don't think it's the right time to spend \$85 million," Wilson said. "I think people will see that this is not the correct time to incur such a debt on the city and EWEB and its ratepayers."

The Sierra Club has not formally endorsed the referendum campaign, but Wilson said he and other individual members intend to take part.

Petitioners face a deadline of April 28 — 61 days after the city published a notice of the council's authorization of the bonds — to gather the necessary signatures. Schlossberg said advocates debated for several weeks whether to pursue the referendum before deciding to do so. Even at this relatively late date, petition supporters believe they can gather the required number of signatures within the short three-week window still open to them, Schlossberg said.

"If we get 50 folks involved and each gets 100 signatures, that's quite doable," he said. "Our army is being mobilized."

Petitioners will canvass the Saturday Market and seek signatures at the city library, natural food stores, bus stops and other venues, he said.

EWEB has won authority to issue nearly \$250 million in bonds without public votes since the 1993 law, the Uniform Revenue Bond Act, went into effect, utility spokesman Lance Robertson said. That authority includes about \$60 million to buy high-priced power during the West Coast energy crisis in 2001; \$50 million for improvements made to the Leaburg-Walterville hydro project; \$36 million to build a new Hayden Bridge Treatment Plant reservoir and make other water supply improvements; and \$15 million for a high-speed telecommunications system that EWEB ultimately abandoned.

In several cases, EWEB did not spend the full amount it was authorized to borrow, Robertson said. For example, EWEB issued only about \$30 million in bonds to get through the 2001 energy crisis, despite having authority to issue roughly twice that amount.

EWEB has spent about two years planning and publicizing its new operations complex, and has received very little comment about the project's financing plan, Robertson said. Most of the public's interest, he said, appears focused on redevelopment of the riverfront property — which won't be available until EWEB moves its operation complex to the new site on Roosevelt Boulevard.

The bonds are to be financed solely through EWEB electric division revenues. EWEB estimates the bonds will increase a typical residential customer's combined water and electric bill by 2.6 percent, or about \$52 a year. That increase should be cut by about half, however, once EWEB sells its riverfront acreage and applies the proceeds to the costs of building the new Roosevelt Operations Complex, Robertson said.

While \$85.5 million is not an insignificant figure, "we feel we have a plan and a facility that's been designed with economy in mind," Robertson said.

The existing riverfront complex includes an operations building that was built in 1952 and is "almost unusable," and vehicle shops in similarly poor condition, he said. The property is also home to the utility's storage and pole yards.

A September election would delay the project because initial earth-moving work can only be done during certain times of the year, as prescribed by state and federal permits relating to water quality and wetlands mitigation, Robertson said.

With an election, such work probably wouldn't begin until next year, with project completion thus pushed back from late 2010 to late 2011, he said.

Nonetheless, state law unequivocally gives concerned citizens the right to pursue a referendum on bonding issues, Robertson said.

"Some citizens think this is important enough to start the effort to get it on the ballot," he said. "We'll have to see if enough citizens think it warrants actually putting on the ballot."