

**EUGENE WATER & ELECTRIC BOARD
SPECIAL MEETING
MCKENZIE FIRE TRAINING CENTER
42870 MCKENZIE HIGHWAY
September 20, 2016
6:30 P.M.**

** Audio file available to the public upon request.*

Commissioners Present: John Simpson, President; John Brown, James Manning, Steve Mital, Commissioners

Absent: Dick Helgeson, Vice President

Guests: Frank Lawson, General Manager; Patty Boyle, Principal Project Manager; Mark Zinniker, Generation Engineering Supervisor; Richard Jeffryes, Senior Engineer; Tyler Nice, Systems Engineering Supervisor; Lisa McLaughlin, Environmental Supervisor; Jeannine Parisi, Government and Community Affairs Coordinator; Karl Morgenstern, Environmental Supervisor; Andrew Talabere, Senior Biologist, Matt Michael, General Manager of Lane Electric

President Simpson convened the September 20, 2016, Upriver Presentation at 6:30 p.m.

Welcome and Meeting Overview

President John Simpson gave an overview of the course of the meeting, which will not include the standard Board Meeting agenda, but instead will be three presentations and an opportunity for discussion. President Simpson then gave a few introductions of Commissioners and Guests. President Simpson offered the floor to the presenters.

Carmen-Smith Relicensing Update

Patty Boyle, Principle Project Manager, introduced herself to the group and opened her presentation. She explained differences between the original project and the finished project. Ms. Boyle stated that she and her 15 team members have put a lot of effort into this project and are getting close. She expressed they have made a great effort to maintain the environmental protection. Ms. Boyle gave a historical background on the project, challenges the team has faced, and ways to find a resolution in order to continue with the project. She presented the distinct changes made, the license, and investments. In the revised approach, highlights of these changes included the following: Trail Bridge Powerhouse will need to be taken offline, and one of the units at Carmen will also need to be refurbished instead of both units. She shared there should not be a significant loss in power. Also in the revision, the substation will remain on the deck. Similarly, other resources will remain the same, such as the Forest Service instead of OSP. Major changes include fish passage changes, including a trapping station, which will be water to water, no handling or sorting. Similarly, there will be downstream changes, thus the need to shut down the Trail Bridge Powerhouse. She emphasized that change will be much more cost effective to the project. In conclusion, Ms. Boyle stated that the main goal is to be sure the passage is safe for both people and fish.

Mark Zinniker, Generation Engineering Supervisor, introduced himself and continued the presentation. He stated he has provided technical support during the settlement re-

negotiation process. He shared that there have been good faith efforts from EWEB regarding this project. Mr. Zinniker continued his presentation, offering details of downstream water passage measurements. He shared details of operational requirements, new flow gauges, and minimum levels and monitoring. He introduced other actions to close camping access and support fish and wildlife in the Smith area. In closing, Mr. Zinniker presented current and upcoming improvements to operation at the Carmen plant.

The audience inquired about the risk of transformers falling into the river. Mr. Zinniker responded that problem has been mitigated and the transformers have been seismically tested and are stable. He stated there is no anticipation of such a collapse. He also presented that the oil used in the transformers has transitioned to a soy-based, fish-friendly oil, to prevent major ecological damage in the event of a spill.

The attendees asked about the present and future role of facilities. Ms. Boyle responded that the plant remains at peaking, which means it has capacity for water storage. She stated that it has a key role, especially in the event of a natural disaster. She clarified that peaking is the hours of the day when consumers are using the most power, the most power is demanded of the plant, such as in the morning when everyone is getting ready for the day and businesses are opening. She continued that non-peak would occur in the middle of the night.

There was an additional question about peaking. Ms. Boyle clarified the other plants are used for non-peaking power.

Holden Creek & Thurston Substation Rebuild Projects

Tyler Nice, Interim Systems Engineering Supervisor, introduced himself and his management role over the substations and lines. Mr. Nice thanked everyone in attendance and gave an overview of upcoming plans for substation maintenance and a new substation in an effort to pursue efficiency and reliability. He noted the three main points of focus: resiliency for a major disaster, long-term vision, and risk management. Mr. Nice passed the presentation to Richard Jeffryes, Senior Engineer. Mr. Jeffryes presented the Upriver Master Plan details for maintaining operations and new substations for upriver services. He stated that the real problem EWEB is faced with is replacing transmission lines, which means significant cutting of trees and easement issues. He offered greater detail of how Holding Creek Substation can minimize most of these issues. He continued that this plan will also be pro-active for overall improvement, even in the event of a major West Coast disaster. He stated there is a lot of paperwork to accomplish due to licensing, but the goal is to be finished by 2020.

In response to an inquiry about transmission poles. Mr. Nice responded the polls will be removed, unless the landowner would like to keep them for osprey nests.

In response to an inquiry around any downside to dependency on BPA. Mr. Nice responded he does not believe there is any downside, but there will actually be benefits to having both types of lines.

Commissioner Brown asked in the event of a disaster would EWEB help BPA or would BPA help EWEB depending on the needs. Mr. Nice responded that they would do what they can,

depending on circumstances, water levels, needs, etc. There was a discussion about wattage.

Attendees asked if EWEB forecast population increase for the service area. Mr. Jeffryes responded they do not forecast a significant population growth.

Mr. Nice also announced plans for an upcoming Leaburg outage.

Managing McKenzie River Flows

Mark Zinniker presented information regarding flow management for the Walterville Canal and McKenzie River. He stated the canal is always generating power, and it is not a peaking plant. Mr. Zinniker continued with flow management details, fish passage, etc. He provided an update of the current river conditions and the channel operations for fish passage. He continued with an update of Leaburg flows. Mr. Zinniker stated there are two generating units at Leaburg and continued to provide a description of current operations.

President Simpson gave instructions for questions to Mr. Zinniker and the next agenda item.

General Question and Answer Session

The audience asked about CFS levels for the canal. Lisa McLaughlin responded that the salmon hatchery has multiple water rights and gave an explanation of how many CFS can be taken off the canal. Mr. Zinniker shared Ms. McLaughlin's biological position and other details. There was continued discussion from crowd and Ms. McLaughlin regarding the fish hatchery and oversight from ODFW. She further explained that EWEB is a partner in the operation, but the ultimate solutions for the hatchery need to come from ODFW and Army Corp of Engineers.

Commissioner Brown inquired about the water temperature of Walterville Canal, asking if EWEB will shut down the canal to allow the water to return to a more natural temperature. Ms. McLaughlin responded that there is not a requirement to address a deviation in temperature. Further inquiries were made; if there is not a requirement, is it at least the right thing to do - shut down the canal for temperature deviation? Ms. McLaughlin replied she is not the best person to respond, but they do divert water and maintain temperatures as appropriate.

Attendees inquired about Carmen Diversion and low CFS threshold. Mr. Zinniker responded that it has been very dry the last two years and under most conditions, Carmen Diversion will allow for appropriate CFS, even on a dry year. There was a clarification that the new license agreement includes the CFS threshold.

The audience asked about the planned outage purpose and timeline. Mr. Nice responded, per his discussion with the tech managing the project, the planned outage should only be about six hours and the purpose is to replace rotted poles.

The audience inquired about the decommissioning of the Leaburg substation. Mr. Nice responded the substation must be entirely rebuilt due to the current substation conditions and new licensing.

An audience member asked about existing diversion and materials. Mr. Zinniker introduced Andy Talabere, a fish biologist working with Patty Boyle on fish passage efforts. Mr. Talabere shared the plans for a trapping fish ladder and presented a diagram for salmon and trout travel. He stated there will be some form of detection for the hopper; fish are delivered into a tank and transported to Trail Bridge Reservoir. He continued to explain details of the spawning channel update.

The audience asked the presenters about global warming and long-term effects on power supply. Responses indicated that EWEB agrees with scientific findings and will make efforts to minimize ecological effects from power production. There was discussion about flexibility and design, water rights, secondary sources, temperatures, etc. to maintain production and EWEB's conscious efforts amidst global warming.

An audience member invited EWEB to participate in a river partnership to preserve the McKenzie River.

A member of the audience inquired about strategy for river maintenance in the South Fork. Mr. Morgenstern responded with details about collaboration with EWEB, ODFW, the Army Corps of Engineers and others to protect the river in all areas.

The audience asked about recreational use along the river and potential for County caretakers. Mr. Morgenstern responded it is cheaper for EWEB to allow the County to charge fees. However, it may choose to cover the expense and pay the County more to manage and avoid fees. He stated there has not been a proposition yet. There was discussion about County plans.

Friends of the Old McKenzie Fish Hatchery invited EWEB to attend the October 11th meeting to provide input for converting the hatchery to an interpretive center.

A river guide thanked EWEB for its assistance to those who work and live on the river. He expressed gratitude to EWEB crew for their efforts and support.

Conclusion

President Simpson adjourned the session at 7:47 p.m., but staff remained available for individual Q&A.

Assistant Secretary

President