



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

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TO: Commissioners Simpson, Helgeson, Manning, Mital and Brown
FROM: Mike McCann, Generation & Electric Operations Manager, and Karl Morgenstern, Property & Facilities Supervisor
DATE: August 30, 2016
SUBJECT: McKenzie River Recreation Site Management
OBJECTIVE: Information Only

Issue

EWEB owns and/or has operational obligations to a number of recreation sites on the McKenzie River from approximately Hayden Bridge to Finn Rock. These sites are currently managed by a combination of EWEB personnel and Lane County, under an intergovernmental agreement (IGA). EWEB and the County seek cost savings and efficiency by consolidating operation and maintenance of all EWEB recreational responsibilities on the McKenzie River under a new comprehensive IGA.

Background

Under the terms of the federal operating license for Leaburg and Walterville, EWEB is required to operate and maintain a number of recreation sites on the McKenzie River. These sites are mostly boat ramps but also include Lloyd Knox Park.

Management of the recreation sites has varied over the years, with the County managing most, if not all, of the boat ramps along the river prior to 2002 under a joint agreement with EWEB, the Army Corps and the State of Oregon. Since 2002, the County has continued to manage some, but not all, of the boat ramps under separate agreements with these agencies. EWEB and the County currently have an IGA in place that provides for County management of most but not all of the boat ramps for which EWEB has responsibility. That IGA expires on December 31, 2016.

Lloyd Knox Park at Leaburg Lake includes fishing facilities, picnic facilities, restrooms, ball fields and a caretaker's house. The park used to be managed and maintained by an EWEB park caretaker. The caretaker position was eliminated in 2012 and the park is currently managed by EWEB's Leaburg Operations staff.

Discussion

Lane County is interested in increasing their management presence on the river for operational efficiency purposes, and seeks additional sites for management under new IGAs with EWEB and others. EWEB has been satisfied with the County's O&M of the boat ramps under the current IGA,

and EWEB and the County have developed a good working relationship through the cooperative nature of the current IGA. The cost to EWEB for the agreement is \$15,000 per year.

Lane County also operates a county park at the Old McKenzie Fish Hatchery at Leaburg Lake. This is the largest county park on the upper river. The County does not have caretaker facilities at this park, and is interested in finding and placing a caretaker on the upper river for maintenance of the recreation facilities.

Since 2012, EWEB has been maintaining Lloyd Knox Park with Hydro Plant Technician / Operators from EWEB's Leaburg facility. These journey-level represented employees are trained to run EWEB's hydroelectric facilities and are at the top of EWEB's electric utility pay scale. Leaburg employees typically spend about 20 hours per week during the summer maintaining the park.

Management believes that EWEB will realize a cost savings by turning over management of all recreation sites, including Lloyd Knox Park, to the County. EWEB's expenses for this new IGA could be further reduced by providing the County with access and use of the park caretaker house and allowing the County to charge fees for park use. EWEB will assess the cost savings of these approaches with other factors before including them in a new IGA.

EWEB has verified with the FERC that nothing in the Leaburg license prevents or limits EWEB's ability to contract park or recreation facility management to a third party like Lane County. EWEB is currently awaiting a proposal for a comprehensive IGA from the County. That proposal is expected in the fourth quarter of 2016. EWEB management believes that pursuing a comprehensive IGA with the County makes economic and operational sense for EWEB, and is looking forward to receiving and reviewing the proposal.

Requested Board Action

None. This memorandum is provided for informational purposes only. Management will keep the Board updated as discussions with the County continue.