



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown
FROM: Rod Price, Chief Engineering & Operations Officer; Lisa McLaughlin,
Environmental & Property Supervisor
DATE: June 26, 2019
SUBJECT: Resolution No. 1901 - Property Acquisition for Thurston Substation Expansion
OBJECTIVE: Board Action

Issue

This memo provides background for Board Resolution No. 1901 and an update on the property purchase for the Thurston Substation Expansion Project.

Background

At the August 2, 2016 Board meeting, the Board of Commissioners approved Resolution No. 1625 authorizing the General Manager to purchase a parcel approximately 186 acres in size for the Thurston Substation Expansion Project. Expanding the substation would allow EWEB to tap into Bonneville Power Association power lines, thus facilitating removal of an old EWEB transmission line river crossing and providing additional reliability to EWEB system users. For a number of reasons, as described to the Board during the September 4th, 2018 regular Board meeting, staff recommended purchasing only a portion of the parcel.

Discussion

EWEB initially intended to purchase the entire 186 acre parcel from Weyerhaeuser Company, the property's current owner. However, during the due diligence phase of the transaction, EWEB and Weyerhaeuser mutually agreed that a property line adjustment that allows EWEB to purchase a smaller parcel would be beneficial to both parties. This approach enables EWEB to purchase just the 141.58 acres that are either 1) directly needed for expansion of the Thurston Substation or 2) includes key floodway and riparian areas along the McKenzie River immediately upstream of the Hayden Bridge intake. The additional acreage not needed for substation expansion contains the confluence with Cedar Creek, which receives runoff from three City of Springfield stormwater outfalls. Purchasing this portion of the property allows EWEB to place the area under conservation and manage it for drinking water source protection purposes.

EWEB and Weyerhaeuser have come to an agreement on terms of a sale. Weyerhaeuser has submitted a property line adjustment application to both the City of Springfield and Lane County. The review process is expected to take up to six months. If approved, EWEB and Weyerhaeuser anticipate finalizing the property transfer near the end of 2019.

Given the change in approach, Resolution No. 1625 contains an inaccurate description of the parcel to be purchased. Resolution No. 1901 rescinds Board Resolution No. 1625 and authorizes the General Manager to execute all documents for acquisition of fee title for the newly described parcel.

Recommendation

Staff recommends the Board adopt Resolution No. 1901.

Requested Board Action

Approve Resolution No. 1901, which rescinds Resolution No. 1625 and authorizes the General Manager to execute the purchase of a 141.58 acre parcel for the Thurston Substation Expansion Project.

**RESOLUTION NO. 1901
JULY 2019
EUGENE WATER & ELECTRIC BOARD**

**AUTHORIZING GENERAL MANAGER TO
RESCIND RESOLUTION No. 1625 AND ACQUIRE REDEFINED PROPERTY FOR THE
THURSTON SUBSTATION EXPANSION PROJECT**

WHEREAS, the Eugene Water & Electric Board (“EWEB”) Board of Commissioners has authorized the purchase of approximately 185.99 acres to expand the existing Thurston substation by Resolution No. 1625, dated August 2, 2016.

WHEREAS, the purchase of a smaller, 141.58 acre portion of the aforementioned parcel is more consistent with EWEB ’ s needs, and

WHEREAS, the Board has considered the Thurston Substation Expansion Project which includes, but is not limited to, the acquisition of property abutting the current substation site to design and construct an expansion of the existing Thurston substation, enabling EWEB to tap into BPA power lines, remove an old EWEB transmission line river crossing, and provide redundancy and reliability to EWEB system users; and

WHEREAS, EWEB has authority under Section 44 of the Eugene Charter and ORS 225.020 to acquire real property; and

WHEREAS, the Board determines that it is consistent with the powers and purposes of EWEB and necessary for the continued growth, safety and welfare of EWEB, as well as its wholesale customers, now or hereafter existing, that fee title to necessary properties as well as necessary rights-of-way and easements be acquired to implement the Thurston Substation Expansion Project; and

WHEREAS, after investigation of the alternative sites and the most effective and economic method of service delivery, the Board has determined that the proposed Thurston Substation Expansion Project and selection of the property set forth on Exhibit 1, attached hereto and incorporated by reference, is planned and located in a manner which is most compatible with the greatest public benefit and mitigation of private impact; and

WHEREAS, the Board finds there are adequate funds budgeted and available to acquire the subject properties, and being fully advised,

NOW, THEREFORE, BE IT RESOLVED by the Eugene Water & Electric Board that:

- (i) Board Resolution No. 1625 is hereby rescinded, and
- (ii) The General Manager is authorized to execute all documents for acquisition of fee title for the property described in Exhibit 1.

Dated this 9th day of July, 2019.

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President

I, ANNE M. KAH, the duly appointed, qualified and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is true and exact copy of the Resolution adopted by the Board in its July 9th, 2019 Regular Board Meeting.

Assistant Secretary

EXHIBIT 1

PROPERTY DESCRIPTION

BEGINNING at the northwest corner of Donation Land Claim (DLC) #74 in Section 28, Township 17 South, Range 2 West, Willamette Meridian, said point also being the northeast corner of DLC #62; **THENCE** along the westerly boundary of said DLC #74 South 00°00'19" East, 833.59 feet to a point to be marked by a survey; **THENCE** South 82°28'45" East, 1042.86 feet to a point to be marked by a survey; **THENCE** North, 703.34 feet to a point to be shown on a survey; **THENCE** East, 1120.28 feet, more or less, to a point on the easterly boundary of those lands conveyed by Maxim Enterprises, Inc. to Weyerhaeuser Company in that deed recorded on July 22, 1965 on Reel 269D as Instrument 12026 in the Lane County Oregon Official Records; **THENCE** along said easterly boundary North 00°08'21" West, 2441.22 feet to the southerly Ordinary High Water Mark of the McKenzie River; **THENCE** along said Ordinary High Water Mark northwesterly to the northerly boundary of the aforesaid Section 28; **THENCE** along said northerly boundary South 88°37'10" West, 343.73 feet, more or less, to the northerly quarter corner; **THENCE** along the north-south section centerline South 00°06'57" East, 1356.01 feet, more or less, to the northerly boundary of DLC #49 in the aforesaid Section 28; **THENCE** along said northerly boundary South 89°40'17" East, 353.16 feet, more or less, to the northeast corner of said DLC #49; **THENCE** along the easterly boundary of said DLC #49 South 00°02'49" East, 1913.20 feet, more or less, to the easterly southeast corner of said DLC #49, also being a point on the northerly boundary of the aforesaid DLC #74; **THENCE** along said northerly boundary South 89°50'04" West, 501.37 feet, more or less, to the **POINT of BEGINNING**.

EXCEPTING therefrom those lands conveyed by Weyerhaeuser Company to the City of Eugene for the use and benefit of the Eugene Water and Electric Board in that deed recorded on June 6, 1968 on Reel 395R as Instrument 27725 in the Lane County Oregon Official Records.

The bearings in this description are based on the Oregon Coordinate Reference System, Eugene Projection NAD83(2011), Epoch 2010.