



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown
FROM: Mike McCann, Electric Generation Manager, and Lisa McLaughlin, Support Services Operations Manager
DATE: August 28, 2019
SUBJECT: Resolutions No. 1925 and 1926 – Leaburg Canal Property Acquisition
OBJECTIVE: Board Action

Issue

This memo provides background for Board Resolutions No. 1925 and 1926 that, if approved, would authorize the General Manager to execute documents to complete the acquisition of fee title for a 38.28-acre property abutting the Leaburg Canal. Resolution No. 1925 authorizes acquisition of the land, with a reservation of timber rights for the seller. Resolution No. 1926 authorizes acquisition of the land and timber.

Background

Over the years, EWEB has opportunistically acquired property adjacent to the Leaburg Canal as it has made sense to do so for access and/or dam safety purposes. EWEB currently owns more than 900 acres of mostly timbered land adjacent to and north of the Leaburg Canal. EWEB uses this property for hillslope/landslide monitoring and to prevent timber harvest and development that could impact the stability of the land above the canal. EWEB generally manages the land in a forested state for wildlife habitat and conducts periodic timber harvests where it makes sense to maintain a healthy mixed age forest ecosystem.

Discussion

EWEB was approached in the spring of 2019 by the current owner of a parcel of 38.28 acres that abuts the Leaburg Canal near the forebay of the power project. The owner wanted to gauge EWEB's interest in purchasing the parcel. EWEB had previously collaborated with the parcel owner regarding our landslide monitoring program because the land is steep and sits immediately above the Leaburg forebay. The land is actively managed as a small woodland with the intent for future harvest. The property has previously been logged and currently supports a stand of roughly 25-year old timber. The property has also been approved for a home site, but none has been constructed. Via prior collaborations, EWEB has installed piezometers and inclinometers on the property and actively monitors the property for earth movement. The parcel is adjacent to both the canal and other property previously acquired by EWEB, and is the last parcel with canal monitoring equipment that is not under EWEB ownership.

Staff would like to acquire the property to support ongoing safe operation of the Leaburg power project. Acquisition would prevent future construction of a home on the property and uncontrolled timber harvest. Acquisition would also provide EWEB ownership and management influence of land currently being monitored by EWEB for slope stability. EWEB has completed a market analysis to determine purchase price and a Phase 1 Environmental Assessment on the property.

Based upon Board direction provided at the August 2019 EWEB Board Meeting, staff is providing two options for the completion of this transaction. The first option, Resolution No. 1925, is the same as previously reviewed by the Board. The negotiated purchase price of \$204,500 reserves the timber rights for twenty years for the seller, but allows EWEB the first right of refusal to purchase any standing timber prior to harvest.

The second option, Resolution No. 1926, authorizes EWEB to purchase the land and timber outright from the current owner for a combined price of \$640,000 (\$204,500 for the land and \$435,500 for the timber).

Recommendation

Staff recommends the Board adopt Resolution No. 1925.

Requested Board Action

Approve either Resolution No. 1925 or Resolution No. 1926, authorizing the General Manager to execute the purchase of a 38.28-acre parcel, with or without standing timber, along the Leaburg Canal.

