

EUGENE WATER & ELECTRIC BOARD
WORK SESSION
October 21, 2025
5:30 p.m.

Commissioners Present: President, John Barofsky; Vice President, Mindy Schlossberg; and Commissioners Sonya Carlson, John Brown, and Tim Morris

Commissioners Absent: None

Others Present: Frank Lawson, General Manager; Deborah Hart, Assistant General Manager/Chief Financial Officer; Karen Kelley, Chief Operations Officer; Laura Farthing, Principal Water Engineer/Project Manager; and Claire Wray, Communications Specialist III

WORK SESSION

Call to Order [00:00:00]

President Barofsky called the work session to order at 5:30 p.m.

Second Source Willamette Treatment Plant Project Update [00:12]

Chief Operations Officer Karen Kelley, Principal Water Engineer/Project Manager Laura Farthing, and Communications Specialist Claire Wray provided an update on the Second Source Willamette Treatment Plant via PowerPoint presentation.

Ms. Kelley provided project history, including a timeline of independent and regional past efforts to develop a second source of drinking water, dating back to 1965.

Ms. Kelley outlined objectives:

- Provide a source that is immediately available in an emergency to maintain drinking water service
- Develop a second source of water that supplements the system through daily operation
- Provide the ability to strategically take Hayden Bridge Water Treatment Plant offline for major maintenance during low demand periods
- Protect EWEB's Willamette River Water Rights

Why it is important:

- A reliable second source of potable water is essential to protect public health and maintain economic stability in the community

Ms. Kelley brought attention to outages that have happened elsewhere that could happen locally, such as natural disasters, equipment failure, and accidents, such as chemical spills.

Ms. Kelley outlined characteristics of an ideal second source:

- Not the McKenzie River
- Source water quality similar to McKenzie River
- Seismically resilient
- Adequate capacity

- Control of water supply, water quality, and water delivery
- Property ownership
- Readily constructable
- Develops and protects EWEB's water rights

Ms. Farthing presented a table with a detailed overview of alternatives, highlighting the Willamette River at Glenwood as the most viable alternative for a second source of water. She showed a graph demonstrating that the water quality of the McKenzie River and the Willamette River are similar. She noted that the Willamette River experiences higher organic loads depending on the time of year.

Ms. Farthing outlined the scope of the Willamette Treatment Plant:

- Three projects in one:
 - New raw water intake sized for 30 mgd (million gallons per day)
 - New treatment plant
 - New transmission piping

Ms. Farthing presented a graph detailing the level of service goals (mgd = plant capacity):

- 10 mgd: Current minimum life and safety after a severe event. Mandatory curtailment during all months likely all industry/business/institutions will be closed. Hayden Bridge cannot be taken offline for maintenance.
- 19.4 mgd: Future minimum residential business/industry needs for current demands. Possible mandatory curtailment of all outdoor and non-essential uses. This option fully utilizes EWEB's water rights.
- 30 mgd: Future projected average daily demands for the water system. Possible voluntary or mandatory curtailment. Realistic curtailment goal during summer months based on comparable utility experiences. Allows Hayden Bridge to be taken down for extended periods of time.

Ms. Farthing presented a graph outlining Hayden Bridge Finished Water Flow demands. She stated that it is important to reevaluate the assumptions from the original preliminary design report from 2017. She said the demand has levelled off, but lower wintertime demands are increasing slightly. Staff are looking at evaluating a 10, 20, and 30 mgd plant with a preliminary design in order to examine costs and rate of return from the investment.

Ms. Farthing outlined controlling project costs:

- Manage the project and expectations
- Develop a project plan that identifies the critical scope items and the items that are nice to have
- Develop an updated baseline cost estimate (will build on the updated estimate staff completed)
- Measure all decisions against the baseline cost
- Decisions that increase the overall cost of the project will be evaluated based on cost, rate of return and financial impacts to the utility

Ms. Kelley presented a table detailing water long-term rate trajectories, noting that the numbers are preliminary and will likely change once the 30% design is completed. She said the Board can expect a more in-depth conversation about the financial impacts in June 2026. Ms. Kelley emphasized that investing in a second source of drinking water for the community is a big decision and one that EWEB does not take lightly.

Ms. Kelley articulated that an investment of \$160 million would require a 10-year cumulative rate increase of 37.2%, equating to \$16 more per month at the end of the 10-year period for the average single-family resident. She said projected increases already show rates moving from \$44 to \$68 at the end of the 10-year period. Adding a second source after the 10-year period would increase the rate to \$84. She added that the investment would stress EWEB's debt service coverage, but it is still within the current target.

Ms. Kelley presented a table detailing the average monthly water bill for a single-family residence compared with other regional utilities.

Ms. Farthing outlined the cost of canceling or deferring the project:

Project/Cost:

- Replacing Santa Clara Reservoir – ~\$80 million
- Building Base Level Storage – ~\$40-\$70 million
- Hayden Bridge Finished Water Storage and Pumping Bypass* – ~\$5-10 million
- Knickerbocker Bridge Transmission Main** – ~\$20 million
- Total – ~\$145-\$180 million

*This allows the reservoir to be taken offline for inspection but does not include any improvements to aging infrastructure.

**Project has been deferred and would need to be moved up in the plan without the Willamette Plant.

Ms. Kelley and Ms. Farthing responded to questions from the Board.

Ms. Wray outlined public input opportunities:

- Identify opportunities for input on participation spectrum:
 - ✓ Landscape screening for intake and treatment plant facilities
 - ✓ Environmental mitigation measures (through comment periods coordinated by other agencies)
 - ✓ Construction staging to minimize impacts to surrounding residents and businesses
 - ✓ Provide multiple opportunities and channels for engagement

Ms. Wray outlined activities completed to date:

- January 2025: Held industry open house to share information about expected water quality and presented to the City Club
- February 2025: Held neighbor open house to begin discussing construction impacts and ways to mitigate

- March and May 2025: Notified environmental groups about opportunities to comment on mitigation measures in permit applications through U.S. Army Corps of Engineers and Oregon Department of State Lands
- April 2025: Met with interested neighbors to discuss landscape screening to minimize viewshed impacts. Presented to the Military Officers Association of America.
- May 2025: Presented to the CLF Network

Ms. Wray outlined ongoing efforts and future focus areas:

- Present at the Willamette Water Symposium in December
- Gather letters of support from individuals, businesses, and organizations passionate about securing a second source of water for the community
- Increase frequency of direct email to share updates during design phase
- Seek fresh media coverage to increase public consciousness of the project and get more people to opt-in for additional information

Ms. Farthing presented a table outlining work completed, work-in-progress, and upcoming work.

Upcoming work includes:

- Complete preliminary design by Q2 2026
- Complete Land Use process by March 2026
- Continue public outreach
- Start construction in 2026 if project is approved at the preliminary design phase

Staff asked the Board to consider the following questions:

- How would the Board like to receive updates? (monthly memo, email, other)
- Preliminary Design Review
- Go/No Go Decision – Q2 2026

Commissioner Schlossberg was in favor of monthly updates via correspondence.

Staff responded to questions and received input from the Board.

Adjourn [1:23:13]

President Barofsky adjourned the work session at 6:53 p.m.

Assistant Secretary

President

Recorded by Terah Van Dusen, LCOG