



July 14, 2014

MEMORANDUM

TO: Tillamook PUD

FROM: Debra Nudelman and Taran Nadler, Kearns & West

SUBJECT: Tillamook – Oceanside Transmission Line Joint Workshop – July 14th Action Items and Meeting Summary

Thank you for your participation in the Tillamook – Oceanside Transmission Line Joint Workshop held on July 14, 2014 at the Oregon Department of Forestry, Tillamook, Oregon. This memo includes agreed-upon action items and a meeting summary.

| Action Items | Who | When |
|--|---|-------------|
| 1. <u>Information Follow-up</u> <ul style="list-style-type: none"> Develop and distribute action items memo and meeting summary | Kearns & West (K&W) to Tillamook PUD and City Council | By cob, 8/5 |

| Meeting Documents |
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| <ul style="list-style-type: none"> Proposed Agenda Tillamook PUD PowerPoint presentation Public Comment Cards <p><i>Copies of documents can be obtained by contacting Kearns & West</i></p> |

List of Attendees:

City of Tillamook: Suzanne Weber, Joe Martin, Cheryl Davy, John Sandusky, Randy Foshee, Aaron Burris, Doug Henson, Paul Wyntergreen

Tillamook PUD: Ed Jenkins, Ken Phillips, Harry Hewitt, Barbara Trout, Doug Olson, Ray Sieler, Barbara Johnson, Bob White, Nancy Dillard, Marty Holm

Facilitation Team: Deb Nudelman (Kearns & West), Taran Nadler (Kearns & West)

Interested Parties: Patty Olson, Tina Sieler, Terry Blanc, Roy Peterson, Claire Peterson, Terri Filosi, Doris Mast, David Mast, Don Aufdermauer, Carolyn H. Decker, David Mattison, Gary Hanenkrat, Loten Hooley, Alene Allen, Joe Rocha, Lois Haley, Jerry Palmer, David Simmons,

Dorene White, Eric Peterson, James Aman, Jim Martin, John Luquette, Mike Blair, Michael Waterloo

Meeting Notes

Welcome, Call to Order, Introductions, Context, Agenda and Ground Rules

Suzanne Weber, *Mayor of Tillamook, City of Tillamook* and Ed Jenkins, *President, Tillamook PUD* called their respective City Council and Tillamook PUD portions of the workshop to order.

Deb Nudelman, *Senior Mediator, Kearns & West*, introduced herself and shared that she was honored to facilitate this workshop. Deb clarified that her role is to help the people in the room get the most out of their conversation by keeping it constructive and productive. She also reminded the group that the goal of the meeting was information sharing, listening and to brainstorm ideas and suggestions with each other. The meeting would not be about specific applications or routes for the transmission line. Next Deb walked the group through the agenda and proposed the following ground rules for the group:

- 1) Honor the agenda
- 2) Listen carefully
- 3) Ask questions to clarify and understand
- 4) Learn from each other
- 5) Balance of speaking time
- 6) Avoid side conversations, phones off and on silent mode

Hopes, Expectations and Interests

Members of the group expressed their hopes, expectations and interests which are summarized below:

- Continue to reliably and affordably serve Tillamook PUD customers
- Guarantee infrastructure is sufficient for reliability needs and increased load
- Reach a reasonable and efficient solution for the transmission line siting
- Learn about each other's interests and needs
- Promote the City of Tillamook's growth and revitalization
- Ensure the route chosen minimizes impact to private property owners
- Honor each other's opinions and needs while respecting the goals of the community

Sharing Perspectives to Date on the Tillamook – Oceanside Transmission Line

Ray Sieler, *General Manager, Tillamook PUD*, introduced the Tillamook PUD's presentation, noting that the PUD's goal was to share information, clarify the purpose and need of the transmission line and to listen.

Bob White, *Power Services Manager, Tillamook PUD*, walked the group through a PowerPoint presentation; the key points are summarized below:

- Purpose and Need: Tillamook PUD needs to build a transmission line to enhance reliability, allow for load growth and replace aging equipment. Capacity is the ability to serve customers and reliability is about keeping the lights on. Currently, capacity and reliability are stretched thin and would be compromised if one of the Wilson River Substation power transformers failed.
- Process for Siting Transmission Lines: Potential routes are identified and evaluated. Where impacts are identified the first step is to avoid them by adjusting the route or design. Every transmission line however has unavoidable impacts, so the next step is to minimize and then mitigate impacts. Bob next summarized impacts the PUD had heard the City and stakeholders identify as key concerns and identified a key next step as getting feedback from the group to add to those lists.

Deb asked the group to share any clarifying questions or new information they learned from the presentation. The main points from the following discussion are summarized below:

- Some members of the group were surprised to learn that a Tillamook – Oceanside transmission line would increase reliability for the Tillamook Valley floor, as well as the Netarts and Oceanside areas.
- The members of the group discussed the possibility of undergrounding transmission lines. Several members of the group emphasized that it would be an extremely costly procedure. Deb encouraged the group to stay in an information-sharing mode, rather than decision making mode.

Paul Wyntergreen, *City Manager, City of Tillamook*, gave a presentation on the City of Tillamook's development plans; the key points are summarized below:

- Urban Renewal: There are a wide range of plans aiming to revitalize and further develop Tillamook. The City is working in conjunction with Oregon Department of Transportation (ODOT) to implement a series of infrastructure improvements that will complement the ODOT project. Some of the city's projects include expanding and adding parks, streetscaping, undergrounding distribution lines and working with the Creamery to rebrand the city.
- Hoquarten Slough: The city plans to turn Hoquarten Slough into an area for business incubation. The original commercial center of the city was in Hoquarten Slough and the city hopes to revitalize it and tie it into the downtown economic development network.
- Members of the group asked a series of clarifying questions about the city's plans and an informative discussion followed on several of its key components. The public works are planned to begin in 2016.

Deb thanked both groups for sharing information and suggested that after a break the group returned to brainstorm guiding principles and an approach for going forward.

Guiding Principles / Proposed Criteria for Working Together

Deb asked the group to sit in each other's shoes and to consider one another's legacies in the community. Deb analogized the complex nature of the issue to unraveling threads of yarn from a sweater. There are interesting components wrapped up in each thread and it is important to discover the glue that is bringing those threads together. To begin, Deb asked each side to share feedback with each other on their presentations.

Below is a summary of the group members' discussion:

- Members of the group shared that the presentations had significantly increased their awareness of the PUD's purpose and need, and the city's revitalization plans. The members of the group also showed mutual interest and appreciation for each other's goals.
- Several members of the group offered that they regret the communication which occurred in the past and would like to move forward with the PUD and city working together in a collaborative open planning process. This sentiment was echoed around the table.
- The group discussed next steps. Members of the group expressed interest in continued communication, but also acknowledged the difficulty and constraints inherent in the city's procedural transmission line siting permitting process. The members of the group also recognized that the educational component would help the process in the future.

Public Input

Four members of the audience provided public input.

David Mast stated that he heard at the workshop that the main reason for the transmission line was load growth and a significant part of that was because of the Creamery's five Megawatt boiler. Concerning load growth, this line was planned for several years and was projected from before the recession. David stated that Tillamook PUD's revised projection shows no load growth from now until 2020. He added that the Creamery is putting in a natural gas boiler which will eliminate the additional need. Continuing, he stated that need matters when people are deprived of their property rights. The situation changed, the decision to build the line has not changed and it needs to be reconsidered.

Doris Mast handed the group copies of the first time she found the transmission line mentioned in 2008. The article discussed bonds and how they are financed. Doris found the discussion interesting because it is so different from how things are discussed now. The article mentions manure digesters and Tillamook is interested in green power, looking into renewable resources and working with the Federal Energy Regulatory Commission (FERC), who she noted is on Kearns and West's client list. As a history major, Doris expressed her interest in history and mentioned that she read online about Kearns and West's clients which include solar and wind and the Western Governors Association. There was a paper co-authored about Western Renewable Energy Zones and it discussed building 19,600 miles of new grid to incorporate renewable energy because of changes in government policy. Doris explained that these statistics come from the National Renewable Energy Laboratory, which is trying to take power away from the local people. She ended by telling both groups that these types of decisions should be local and that they should not let any special interest groups deprive private property owners.

Joe Rocha began by indicating he has an interest. He introduced himself as the Chairman of the Creamery Board, a property which would be involved. He appreciated the format of the meeting and expressed that he thought that it was important to start like this from the beginning of the project. He mentioned that the last time people who would be highly impacted were notified, it was too late for them. If there is a need for power then we need to serve it. He shared that he was surprised to learn that a need for power exists in Tillamook. He suggested spending money on the infrastructure in Tillamook and doing everything possible to reduce losses in the lines. He reiterated that the parties who will be impacted by a decision must have an opportunity to be involved. He finished by appreciating that although people are going to be impacted by the line, it is important to make sure they are impacted as little as possible.

Roy Peterson asked the group whether they knew that thousands of dollars have been spent on siting the transmission line already. He noted that the prior line siting did not get through the planning commission. He commented that the sound system is not very good in the room and he could not hear what was happening. Next he asked the group whether they were aware that people in Salem decided that they could not put the line down Front Street. He stated that they were going to put it right across Cheryl's park. He mentioned that they used taxpayer money to hire an attorney who is probably at the workshop tonight. Roy noted that they hired an attorney and he was a good one. He congratulated the City of Tillamook on their beautiful city and commented that they were not going to get all of the cars to stop. He then congratulated the PUD for trying to give us reliable power. He noted that even if undergrounding power costs more, that is what he thought they are going to have to do. He finished by offering that in a lot of cities they put power underground even if it costs too much.

Deb thanked everyone for their comments and encouraged people to leave comment cards

Approach Going Forward, Next Steps and Summary

The group brainstormed several different approaches for going forward, including picking milestones during the PUD's timeline during which to share information, bringing staff from both the City and PUD together as sounding boards, attending each other's board/council meetings and informal workshops that incorporate the public's input.

Deb offered her perspective that the workshop was a great start for the group. For next steps, Kearns and West would synthesize the content of the workshop and memorialize the important information. Deb concluded the process portion of the meeting by complimenting everyone for their willingness to collaborate and stay constructive.

Suzanne Weber thanked the City Council for attending the workshop and being open and forthright. She expressed her appreciation for the PUD inviting them to have this conversation and adjourned the City Council portion of the workshop. Ed Jenkins followed by adjourning the Tillamook PUD Board portion of the workshop.

Adjourn

This memo respectfully submitted by Kearns & West.