

Oak Lodge Sanitary District
MASTER PLAN COMMUNITY ADVISORY COMMITTEE
Wastewater Treatment Plant Pre-Design Project
Public Outreach Project
Summary of April 29, 2008 Meeting

The April 29, 2008, meeting of the Oak Lodge Sanitary District Master Plan Community Advisory Committee (MPCAC) convened at 6:00 pm in the Conference Room of the District Administration Building at 14611 SE River Rd, Milwaukie, Oregon.

Committee members attending this meeting were Matt Anderson, Tom Foeller, Jerry Foy, Thelma Haggemiller, Greg Leedy, Myron Martwick, Sylvia Milne, Bob Murch, Margaret Pritchard, Leah Robbins, Henry Schmidt, Brad Smith, Charlie Stephens, Leonard Waldemar, and William Wild attending as representative from the District Board of Directors.

No members were absent.

District staff members attending were J. Michael Read, General Manager of the District; Brett Arvidson, Manager of Planning and Engineering; and Kay Deines, Administrative Support Specialist.

Consultants attending were Clark Worth and Libby Barg, Barney & Worth, Inc.; Michelle Burkhart, CH2M Hill Project Engineer and Treatment Systems Engineer; and Dave Green, CH2M Hill Principal-in-Charge.

Members of the Oak Lodge Sanitary District Board of Directors attending the meeting were Paul Savas, President of the Board; David Seigneur and Doug Woods, members of the Board of Directors; and William Wild, Board representative to the MPCAC.

Libby Barg of Barney & Worth, Inc. called the meeting to order at 6:00 p.m. and asked those present to introduce themselves to the group. Following self-introductions, Libby Barg described the agenda and the packet information provided to the MPCAC, which included an updated Committee roster, the Value-Planning Conclusions, the Abbreviated Report on the Stakeholder Interviews, and the Assignment for this Committee.

Brett Arvidson spoke briefly describing happenings since the MPCAC adjourned 18 months ago after making its recommendation to the District Board of Directors. The Board adopted the Master Plan in June 2007, and in October selected CH2M Hill to continue on with the Pre-Design Project. In November 2007, due to a change in General Manager of the District, the Board held off on implementing the Pre-Design process until a new General Manager was selected and working at the District. Also, a Value Planning process was undertaken in order to determine the most cost efficient and economical way to re-develop the treatment plant. As part of this process, the Board requested that the MPCAC be re-convened and included in the Public Outreach portion of the Pre-Design Project. Brett stressed that the District is committed to keeping the public involved in the process, and keeping the process transparent.

General Manager J. Michael Read introduced himself to those of the Committee that he had not yet met, and thanked the members of the MPCAC for their generous gift of their time and effort

in service of the community, the environment, and the water resources of the District. Manager Read stressed that the MPCAC has been asked to reconvene not to change the recommendation that was originally made, but to ask their help in refining the plan and ensure that the community is involved in the next steps to be taken towards redevelopment of the wastewater treatment plant.

Michael Read stated that when he first came to work at Oak Lodge Sanitary District and was reviewing this project with the Board, one question he was asked by the Board was “Will the real treatment plant please stand up”. After a re-evaluation of the plant during the Value Planning process led by consultant John Lang, the answer was “This plant cannot stand up; it does not have the strength to stand up”. He noted that during this process the participants tried to remove all misconceptions that the treatment plant as it now exists could remain functional.

Michael Read discussed the issues and conclusions:

- Critical issues to be resolved as soon as possible are:
 - Rehab Pump Station No. 1 rather than building a new one.
 - Construct new headworks.
 - Rehab and reuse the existing primary clarifiers rather than replace them.
 - Provide additional biological treatment capacity.

- Conclusions
 - The wastewater treatment plant is not in an acceptable condition
 - Summer and winter flow treatment in Oak Lodge Sanitary District problems require different solutions
 - Some of the District’s open space around the existing wastewater treatment plant should be used during re-development of the plant if it proves cost-effective.
 - Alternative #1 (build a completely new treatment plant immediately) should be avoided because, while it would cause the least impact in the long run, it would cause the largest initial impact to ratepayers because it would require 45% rate increases in the first two years.

In February 2008 the District held a three day workshop reviewing the condition of the wastewater treatment plant, the proposed treatment plant and processes from the 2006 Master Plan project, priorities to be considered, and proposed plans for the pre-design project currently under way. The workshop addressed the aesthetics issues of the current plant and how to minimize the impact of both the re-construction and the existence of the plant on the immediate neighborhood, including noise, odors, and appearance. Also, participants discussed methods for minimizing the cost of the reconstruction and maximize the use of existing assets and various treatment alternatives.

Three treatment alternatives were suggested by CH2M Hill. One involves using membrane bioreactors modified to send peak flows to a different treatment process; one involves using conventional activated sludge process in addition to anoxic selectors as a secondary process and reusing the existing primary clarifiers as part of the aeration process; and the third alternative is new to the Committee and is a Cannibal Solids Reduction system. The Cannibal process is an extended aeration system that “eats itself”. It releases .1 lb of solids for each pound of BOD5

removed instead of the .8 lb released after normal aeration and activated sludge treatment. This last alternative has the advantage of saving significant amounts of money required to handle biosolids. The downside of that is that it uses the most land because of its long processing time and high energy use due to the large amount of aeration.

Discussion followed between the members of the MPCAC, Manager Read, and CH2M Hill staff on several issues. Highlights of those questions and discussions are:

- Use of land that is currently vacant at the wastewater treatment plant site. It was the general consensus that use of currently vacant land in order to avoid additional cost of the project caused solely to avoid use of that land is appropriate.
- Odor and Noise during construction and operation. Manager Read stated that all new facilities would be odor-scrubbed and would have facilities in place to minimize noise. One main source of odor is handling of solids resulting from treatment, and the cannibal process alternative would drastically reduce the amount of solids produced. Another alternative is pumping the solids to a Clackamas County facility for disposition. Odor and noise problems will also be taken into consideration during construction activities.
- Stranded Investments. Michael noted that the digesters are a good example of a stranded investment. They have not been cleaned in 35 years, and are in dire need of work. Should the Board decide on a Cannibal system or should the solids be pumped to Clackamas County, then the digesters would not be used in the new system. However, they must be cleaned and repaired to the point that they will continue to operate until the re-development starts. He estimates that cleaning them will cost approximately \$100,000 and if a new cover is needed, then that would cost an additional \$100,000. If the digesters are not used in the new system, then that investment would be stranded, even though it is now necessary.

Michael and Brett further discussed Pump Station No. 1, which had been thought to not be able to be reused. Brett described a process that would remove the necessity for staff to enter the pump station, and would involve removing the equipment and changing the arrangement of the wet and dry wells, and then add an additional pump giving sufficient redundancy and pumping capacity for the pump station facility to be reused.

- Pumping Solids – final decision date. This will depend on the Clackamas County decision-making process.
- Departure from original recommendation of the MPCAC. Committee members discussed the fact that the Value Planning process has come up with three suggested treatment alternatives that differ significantly from the original recommendation of the Committee. The members noted that they appreciate the possibility of a reduced cost for the redevelopment while noting the wide disparity from the original suggestion. Members commented that they appreciated the fact that the Board used due diligence in further investigating ways to conserve the community's assets.

- Cannibal treatment process. Margaret Pritchard noted that she was a proponent of use of the membrane biofilter technology for the new plant, but that she has since worked with the Cannibal system, and feels that it shows great promise.
- Expected life span of concrete structures – can they be safely reused? Michael explained that the concrete tanks could well be reused once they have been thoroughly checked and evaluated, the walls rehabilitated, and the facility covered.
- Construction cost and funding. Michael noted that because of the current economic situation in the country, the contractor bids will likely be lower than they would have been a few months ago due to the slowing of construction work available. The District will make every effort to sell bonds without having to purchase bond insurance, which is expensive and would add significantly to the cost. Michael feels that the District is in a more favorable situation for construction than would have been expected even a few months earlier.
- Timeline for construction and possibility of an extended period of construction activity. Michael noted that the goal of the District is to keep the construction activity as neighbor-friendly as possible, and minimize the noise and dust produced. The work will be phased so that most of the noisiest and dirtiest work will be done early-on and quickly.
- Funding of Phase III of the project. Michael stated that his goal is to only have one bond sale and return as quickly as possible to the state of being able to fund capital improvements as they are necessary from funds accumulated through service charges. He projects a \$50 - \$55 million project with a 15% increase in service charges for capital costs last year and this year, then a couple of years of 5% to 10% increases, and then a return to 5% - 3% annual increases. These increases are for capital improvements, not for increases in operations and maintenance costs. He also noted that conditions always change and no Master Plan has ever been fully instituted, but a solidly designed and well-thought-out master plan is a good guideline and starting point.

Dave Greene of CH2M Hill commented that a new Cannibal process plant in Albany, Oregon, was able to obtain some grant funds for energy-related improvements. CH2M Hill feels that Oak Lodge Sanitary District may be able to secure some of that money by including opportunities for obtaining funding based on energy-related improvements in the planning process.

- Will solid cost numbers for the three alternatives be provided at the next meeting? Dave Green stated that they will provide relative numbers at the next meeting because the process is still in the master planning stage. Hard numbers will have to wait for a decision on what type of plant will be built and design to be farther along.
- Development paying for a fair portion of the improvements? Michael stated that around December 2008 or January 2009 the District should have accurate enough numbers from CH2M Hill regarding the cost of the capital improvements that it will be possible to determine the appropriate increase in System Development Charges (SDC). There is a strict process for determining the exact amount of SDCs that can be charged, and this

process must be adhered to. Brett stated that his “back-of-the-envelope” estimate for SDC per EDU of \$4,000 to \$6,000, and stressed that the amounts are a rough estimate.

Public Outreach Stakeholder Interviews

Libby Barg of Barney & Worth, Inc. described the stakeholder interview process. To summarize the process and the results, she stated:

- Customer awareness of the existence and site of Oak Lodge Sanitary District is very low.
- The number one concern of the ratepayers is service rates.
- The Board of Directors and the new General Manager enjoy solid support from the stakeholders.
- District plant neighbors will be impacted by the redevelopment process.
- Stakeholders want the District to keep the re-development process moving

Libby noted that there are some tools and processes in place that can be used and updated, such as

- The website
- The newsletter
- Plant tours and open houses to demonstrate the need for re-development
- Well-instituted network of neighbor-to-neighbor information sharing, and using MPCAC members as a conduit for information

Some suggestions for doing this are

- Hold additional open houses
- Good neighbor plan developed between neighbors and District for minimizing construction disturbances – talk with and listen to members of the community
- Customer survey to determine current attitudes within the entire community, determine exactly who the customers are and make that information available to the community, and to spread awareness of this public outreach and re-development pre-design processes.

Public Outreach Plan

Clark Worth presented information on the draft Public Outreach Plan they have designed to be specific to Oak Lodge and taking advantage of the information they heard in the stakeholder interviews. The plan reflects the themes and concerns expressed by the stakeholders and listed in the interview summary. The plan is designed to reach and involve the goals and questions that were presented to them in the stakeholder interviews.

The Plan is designed to meet two main goals. The first is to design and implement an effective Public Outreach Program to inform, educate, and involve ratepayers in the treatment plan pre-design process. The second involves land use permitting. The goal is to fulfill all of the public involvement requirements triggered by the land use planning process during the Public Outreach process.

Clark went on to describe how the proposed Public Outreach Plan they have drafted will work to meet the goals and fill the expectations and requests of the stakeholders interviewed. He stressed the importance of communicating with and informing the public, utilizing existing tools such as the website and the newsletter, communicating directly with the ratepayers, and maintaining good relations with the plant neighbors. Reconvening the MPCAC to help with Public Outreach is part of the communication plan, and as is making use of the members of the Board of

Directors to meet, along with the General Manager, with the key stakeholder groups within the area to listen to their ideas and concerns and answer their questions. Clark also discussed the continuation of public involvement after the end of the formal Public Outreach program in order to be sure that the gains in education and communication between the District and the residents is maintained.

Henry Schmidt commented that there are 2 misconceptions to be dealt with within the community. He feels that there is a large component of the public that continues to believe that the treatment plant is fine; and that there are about 150 citizens who attended the Open House in October 2006 and were informed (and believe) that it would cost \$90 million to renovate the wastewater treatment plant. Henry wants the consultant and the Board to be sure to educate the public about the process that happened to reach this point.

Sylvia Milne noted that people want a ballpark figure of what a certain percentage increase means in actual dollars compared to their current charges. Percentage increases do not generally mean a lot to them.

Greg Leedy requested tools be prepared and available quickly to members of the MPCAC and community that might like to host neighborhood discussion groups in their homes.

Brett Arvidson described assignment from staff and consultants for this project.

- Funding structures – the MPCAC will be used as a sounding board. There will be questions about exactly what type of bond funding should be chosen and how various projects should be paid for.
- Discuss with neighbors and friends the situation, the project, and the planning process. Brett stressed that this group was effective and actively participated in the process previously, and he looks forward to more of the same.
 - Sylvia requested a crib sheet to be used when discussing figures with the community.
 - Jerry Foy stressed that comments to representatives of the media should be made by District management staff, not by volunteers from the community.
 - Margaret Pritchard suggested that anyone on the MPCAC who writes a letter to the editor on this subject request that it be reviewed by Manager Read prior to mailing it.
 - Thelma Haggemiller suggested that a sub-group of MPCAC members who would like to participate directly in community communications be formed as not everyone will be eager to participate in this manner.
- Technical Memoranda generated in the Pre-Design process will be provided to the members of the MPCAC for review. These will show things like floor plans and comparable cost estimates.
- The next meeting of the MPCAC is planned for May 20, 2008. At that time the MPCAC will be asked to select one option from those presented. Then in June and July CH2M Hill will develop hard numbers and costs for construction phases to be presented to the Committee for their review.

J. Michael Read then addressed the Committee, explaining that the May 20 meeting will be much like a workshop. He thanked everyone for their efforts on behalf of the District and expressed his gratitude at being able to work with the group.

The meeting adjourned at 9:30 pm.