

**OAK LODGE SANITARY DISTRICT
SURFACE WATER MANAGEMENT PROGRAM
CITIZENS ADVISORY COMMITTEE
Summary of January 18, 2011, Regular Meeting**

The Oak Lodge Sanitary District Surface Water Management Program Citizens Advisory Committee met on Tuesday January 18, 2011, from 5:30 p.m. to 7:30 p.m. in the Conference Room of the Administration Building, 14611 SE River Road, Oak Grove, Oregon 97267.

Committee members present:

- Jim Brown
- Eini Lowell
- Tom Civiletti
- Edith Coulter
- Lynn Fisher
- Tom Foeller, Board Representative to the Committee
- Leonard Waldemar
- Jim Ferriss
- Terry Gibson
- Myron Martwick
- Jerry Foy

Committee members absent:

- Matt Anderson
- Eini Lowell

Oak Lodge Sanitary District staff members present: Brett Arvidson PE, Manager of Planning and Engineering; J. Michael Read, General Manager; and Katie Koellermeier, Office Specialist. Consultants in attendance were Clark Worth and Libby Barg of Barney & Worth

Members of the Oak Lodge Sanitary District Board of Directors present:

- William Wild, President of the Board
- Ginny Van Loo
- Jim Martin, Vice President of the Board

Members of the public present:

- Rob Kappa, NCUWC
- Bernhard Masterson, SE Westview Ave
- Doug Woods, OLSD Employee, SE Rupert Dr
- Michelle Healy, Director, North Clackamas Parks and Recreation District

1. Introduction

Michael Read, General Manager of OLSD, welcomed the attendees to the meeting and asked that the attendees introduced themselves.

2. SWM Project Recap

Libby Barg of Barney and Worth described the steps taken to date to develop this project. She reviewed the activities leading up to the previous meeting, explained that the comments and concerns raised in that meeting, and explained that they are incorporated into tonight's presentation. She noted that recently DEQ has issued the new MS4 (Stormwater) permit under which the District will be operating, and that details the requirements the District will be required to meet for the next five years.

3. SWM Strategic Plan Review

Brett Arvidson, OLSD Manager of Planning and Engineering, discussed the District's SWM Strategies. Currently the District funds projects on a pay-as-you-go process. This has become a problem in that the funds saved to fund the projects will be used up in the very near future, and the cost of meeting the new MS4 permit's requirements will use all of the current service charge income and then some. Brett recommends planning for some sort of debt financing method. Libby stated that the current strategy of paying for permit-required activities and capital improvement projects out of services fees while keeping rates as low as possible is not tenable in the future.

4. Discussion

Clark Worth of Barney & Worth led the discussion. He discussed the District's Leadership Ladder status. Currently the District is operating on the reactive level – responding to concerns and problems as they are brought to staff's attention. Clark asked the SWM CAC members to submit on the plan to

Suggested items for discussion are:

- a. District/Program positioning on the Leadership Ladder
- b. Top priorities (IGA, SWM SDC, Boardman Creek)
- c. Long Term Funding Plan

General Manager Read stated that staff plans to present a Draft Watershed Strategic Plan to the Board of Directors in February. Members of the Board will use the feedback from the SWM CAC to help them plot the future of the District's Surface Water Program.

Clark Worth explained that the District is moving ahead on the Watershed Strategic Plan as the Plan is being formalized; they are moving ahead in order to meet the requirements of the new MS4 Permit. The District has applied for a Metro grant to use in the River Road Culvert Replacement project and is moving forward on the SW Ordinance Revision project.

Discussion followed on the subjects of 1) flooding vs. water quality as a community concern, and if addressing water quality would result in improved environment that would minimize flooding problems; 2) County vs. OLSD responsibility and development of a IGA between CC and OLSD; SDC fees, 3) number of ESU developed yearly, and would this be a cost effective

measure based on the developable land in the District and the cost of determining and setting an SDC rate; 4) the importance of looking at the impacts of current projects on the environment and stream corridors in the next decades; 5) the tolerance of the public regarding collection of fees and service charges to pay for needed projects; 6) ways for the District to incentivize the residents to make their planned improvements in their own yards in a water quality friendly manner (Brett discussed the legal consequences of any monetary incentives as it is difficult to prevent future changes in the private landscapes back to manicured lawn); 7) the leadership ladder and the level to which the District aspires – proactive can be less expensive than reactive, 8) but higher levels can increase costs; 9) the value of using community “ponds” for managing surface water in place of underground piping; 10) restoring existing areas such as the Boardman “Swamp” to the original state prior to channelization; 11) the need to avoid over-simplification of solutions for complicated stream hydrology and focusing on only one or two culverts rather than entire stream systems; 12) how to move forward from the current situations – Funding.

Conclusions of the discussion were

Moving Ahead

The District should move ahead with top priorities:

- Launch Boardman Creek basin initiative
- Update the District’s SWM Facilities Plan
- Develop funding plan
- Adopt a systems development charge (SDC)
- Update development code provisions
- Develop an Intergovernmental Agreement with Clackamas County
- Partner with other agencies / groups
- Assure compliance with the new stormwater permit
- Focus immediate attention on public education

Raising Rates

Most SWM CAC members support moderate rate increases, but suggest customer education about how their SWM fees are used will continue to be important.

“Have to raise the rates to stay alive – both for ongoing operations and capital projects.”

“Haven’t raised rates in 10 years – people will understand”

“District has been conservative on SWM spending because of the wastewater treatment plant. Now it is SWM’s time.”

“Need to start raising rates slowly.”

“Build public support for rate increases is a critical component.”

“We need to answer customers questions: overcome ‘What have you done with your money?’”

“Don’t think a buck a month is going to be a problem.”

“Need to keep affordability issues in mind.”

Funding Options

Option #1 – Operations only, no rate increase. *(No one was in favor of this option)*

Option #2 – increase SWM rate significantly and continue to pay for capital projects on a “pay as you go” basis – is also thought by some to be a good way forward. But showing faster progress and taking advantage of low debt financing rates are cited as reasons to go with Option #3 at this time.

Option #3 – increase SWM rate moderately and finance major capital projects through debt – is favored by most SWM CAC members as the best way to move forward.

“Option #3 is my choice. Raise rates gradually. With low loan rates – that could get us going.”

“I am willing to support Option #3 to the Board.”

“I would choose #3 – that is the way to go: focus on a list of improvements – show me.”

“Option #3 is the way to go. Should put a good educational program together.”

“Option #3 way to go right now.”

“Bond funding – can’t beat today’s rates.”

“Debt financing is the best way to leverage money today.”

“I am a pay-as-you-go kind of guy – but it will be hard to pass that steep rate increase on to customers.”

“I don’t like debt – raise the rates up enough to pay as you go. There is a cost to debt.”

Boardman Creek Basin

SWM CAC members support the Boardman Creek Basin initiative, but want the District to also consider projects outside the basin. Some suggest educating the public on all the work that has already been accomplished in other basins.

“District has been working on the Capital Improvement Plan for many years – left Boardman for last, not because it wasn’t the top project, but because it was the most expensive.”

“Need to show some projects outside Boardman.”

Leadership Ladder

There was consensus that the District should have a proactive, preventative SWM program rather than remaining reactive, or striving to be a surface water management leader (at this time).

“We don’t want to be leaders as in a showcase for the state – but want to be proactive to solve our own problems.”

Public Education

The SWM CAC emphasized the immediate need for public education on the District's surface water management program and benefits – in advance of a rate increase.

“Education is extremely important.”

“Use newsletters to educate people. Show people where the money is going.”

“Stringfield Park is an excellent example for partnerships and a learning tool. Keep repeating that.”

“Water quality and quantity – both are of concern to SWM CAC members. Be sure to provide educational materials that help customers understand the difference between real flooding problems and normal storm event flows.”

Brett Arvidson noted that the last weekend of extremely heavy rainfall resulted in few complaints received from the residents. He related a conversation he had with a long time employee who told him that 10 years ago, prior to the District's construction of capital projects, staff would have been inundated with complaints about sites that needed immediate attention to alleviate problems if that amount of rain had fallen.

5. Next Steps

- a. Presentation to Board? William Wild asked the SWM CAC to appoint a couple of members to present the draft Watershed Strategic Plan to the Board at the February 2011 meeting. Tom Civiletti and Terry Gibson were selected to present the Plan to the Board of Directors.
- b. Board adopt Strategic Plan – scheduled to be discussed at February 2011 meeting of Board of Directors
- c. Draft budget for FY 2012 to be prepared
- d. Announcement by General Manager Read that OLSD will be appointing someone to serve the remainder of Paul Savas' term as he has resigned because of his election to the Clackamas County Board of Commissioners.

6. Adjournment

The meeting adjourned