

MULTNOMAH COUNTY DRAINAGE DISTRICT #1
MINUTES OF THE BOARD OF SUPERVISORS MEETING
May 20, 2010

Pursuant to advertised notice, the Board of Supervisors' meeting of Multnomah County Drainage District No. 1 was held at 8:00 a.m. on Thursday, May 20, 2010, at the Port of Portland's administrative office, Cascade Room, Floor 8.

Chair Tim Warren called the meeting to order at 8:05 a.m. and requested that the secretary note the role. Eaton acknowledged that meeting announcements had been made.

Those present were:

Tim Warren, President
Larry Cooper, Supervisor – Via Teleconference
George Donnerberg, Supervisor
Bob Eaton, Executive Director, and Secretary/Treasurer
Dave Hendricks, Deputy Director
Kim McRobbie, Secretary Pro Tem
Steve Schreiber, Port of Portland, Aviation Manager
Phil Ralston, Port of Portland Liaison

Excused Absence:

Bruce Holte, Supervisor
George Lingelbach, Supervisor

APPROVAL OF MINUTES

Larry Cooper moved to approve the Board of Supervisors minutes from April 15, 2010 as written. George Donnerberg seconded and the motion passed unanimously.

Port of Portland's Steve Schreiber, Aviation Manager, stopped in to say hello to the Board. He wanted to extend his gratitude on behalf of Bill Wyatt on a great working relationship. Anything the Port can do to assist the District, let him know. Also, please consider the new Port building our home, too. President Warren added he agrees it is nice to work with the Port and feels the District and the Port work very well together to create a great paradigm.

BUSINESS

Review Draft B-1 FY 2010-2011 Budget – Eaton is presenting a number of budget options today and is looking for direction from the Board. He spoke to the cash carryover looking okay. He noted the District proposed expenses for the next FY total approximately \$3.191 million with revenue expected at about \$3.036 million. That leaves a balance of \$155,600 that needs to be either made up in additional revenues or cut from expenses.

Eaton turned to the Capital Improvement project priority page to discuss options. He spoke to the assessment and how every 1% increase to the assessment will add roughly about \$20,000, so every 5% equals \$100,000. Eaton showed the history of assessment increases with the average being right around 7%. He also reminded the Board that the 1135 project and the residual bond measure funds that helped finance capital projects for a number of years are no longer available. Warren asked when the bond would be paid off. Eaton stated 2017 and that is close enough to think about since it is only seven years away. Eaton spoke about the COP Stormwater IGA expiring 2012 and the District landowners could be looking at about \$1.2 million in payments depending on what is negotiated.

Review Draft B-1 FY 2010-2011 Budget – Continued from previous page

Most likely, the City will collect those funds and the District will have a decision to make about what it wants to do with the extra \$450,000 or so it has been levied each year to pay the Stormwater IGA. He asked all to turn to the options page he prepared for today. Adding there are four options he would like to Board to consider. Warren asked about CIP Reserves and Eaton stated the Board never established goals but really should do so.

Eaton added the goal is to have \$1.1 million in operational reserves. Warren asked if the operations and maintenance budget remains steady. Eaton said if you look at totals in two years, it has increased about \$200,000. Warren said, looking down the road at the City of Portland's IGA changes, maybe it is time to look at a little jump in assessment rather than a big jump at that time. The group discussed the option of bonds and flex lease as well as assessment increases. Warren feels the bond is a bad option and he would rather see a raise in assessments than get a bond. The group discussed compression and formulations. Warren stated he still thinks a small increase is best. Hendricks said he agrees, but the District needs to be cautious about deferring major projects. Ralston noted that incremental increases are better for the Port of Portland to handle with big jumps hard to budget. Cooper stated he feels the group is on track and should come out with annual increases so business can budget accordingly. He was thinking along the lines of a 7-9% increase. Warren stated he is leaning more towards the 9% increase. Hendricks was asked about the flexlease rates currently and if there are pre-payment penalties. He stated last he checked the flexlease was at a maximum 7% interest rate and there are no penalties for prepayment. Warren stated the District needs either to raise the assessment or borrow money. Hendricks said he would go back, look at CIP projects, and prioritize accordingly. He will bring back to the Board on June 24. Eaton will prepare paperwork for a \$155,000 flexlease for the board to consider at the same meeting.

Fiscal Comments – Eaton stated the District is wrapping up the end of the fiscal year. There are no surprises in the report. Eaton concluded saying the financial information was covered during the budget discussions.

PDX (Portland International Airport) Report with Phil Ralston – Phil spoke to some flash flooding that occurred on the airfield. He has been working with the Drainage District on issues in the McBride Slough. Ralston said the Port is also working with the District on CIP needs. Hendricks spoke briefly on the critical projects between the Port and the District. He added there are possible cost share projects with the Port and other agencies. They discussed methodology, IGA, budget, and Capital Improvement Projects. Ralston stated the Airport Futures Zoning is wrapping up. A Public Advisory Group approved a draft agreement. Hendricks added he has noted the ditches for zones and events and he would like Nick or Dana to review the data.

PROJECTS:

Corps 536 Feasibility Study Letter – Hendricks spoke about the 536 project from I-205 to 122nd along Marine Drive. The project would entail dredging the Columbia River and creating a bench would be planted with vegetation as habitat for wildlife and fish. He added he is quite confident the project will be approved. A feasibility study will be done in March of 2011 with the first \$100,000 paid by the USACE. Hendricks estimates the project construction to be about \$2 million, maybe even higher. A 65/35 construction cost share has been offered with BPA to pay the 35% and the USACE the 65%. Hendricks is working on the money exchange part of the project. Donnerberg asked about right-of-way issues. Hendricks replied that METRO has agreed to the project because they want to build a bike trail at the same time. Hendricks concluded saying this is a very slow process but moving forward.

Corps 2010 Periodic Inspection – Hendricks spoke about the periodic inspections that are done every five years. USACE has contracted out the inspections, which are currently underway. Once the inspections are done, a report will be drafted noting any deficiencies. The District will have two years to repair any that are found.

PROGRAMS/POLICIES:

Construction College Agreement – Hendricks spoke about the College of Construction. He has met with them twice, and will meet with the dean of the college next week. There is a 45,000 cubic yard pile of dirt at PDX. Hendricks would like to have the students do the work as part of their training. The District would like to set this program up this summer to have students here next year. The Port will have to look into students on their property to make sure that will not be in violation of any rules. Hendricks concluded by saying that he currently has to turn down soil because he has nowhere to put it and no one to work on it.

4MAT Roundtable April 29, PEN 2 Hosted – Eaton spoke briefly on the roundtable held on April 29. He added it was a great session discussion Drainage District authority and environmental overlays.

PLANNING:

City of Portland Tree Regulations – Eaton said the group continues to plug along. The programmatic agreement supported by the districts is still intact with one change. An appeals process has been added.

COP IGA – The City of Portland wanted to hire a consultant to crunch numbers and explore options. Currently the District is unaware of anything moving forward so there are no new updates.

Airport District Plan – Eaton said he already touched on this. He is working with Mindy Brooks and Jay Sugnet on the Natural Resources part of the plan. He added they have been great to work with and all Drainage District suggestions are being included in the exemptions found in the plan. Hendricks spoke to Chapter 33 and the changes the District is adamant on seeing on the plan. He also spoke to the tree cutting process being the biggest expense to the Districts. Hendricks spoke about mitigation and hopes the City of Portland will do the right thing when re-writing the MOU. He added the City of Portland Forester would not be involved and the District should be able to take certain trees out with mitigation and permits.

Jean Ochsner – Hendricks stated that the District has hired Jean Ochsner to work cooperatively with the City of Portland on Airport Futures. Hendricks and Eaton are very busy on many tasks and do not have time to deal with some of the details. He stated that Jean has the capability and staff to do the job for not a lot of money. The entire project is not to exceed \$10,000.

Mary Gibson – Hendricks spoke to another consultant the District is working with. Mary Gibson is looking at legislature, statutes, statewide goals and the City of Portland comprehensive plan. The statutes are old, and Mary will decide what updating plan will work best. There will be a meeting with the lobbyist at Special District Association of Oregon. Eaton concluded saying that if ORS 547 needs to be changed there should be a plan A and a plan B.

OTHER BUSINESS:

ADJOURNMENT:

There being no further business to come before the Board, President Tim Warren adjourned the meeting at 10:00 a.m.

APPROVAL:

These minutes were approved at a duly called meeting of the Multnomah County Drainage District #1 Board of Supervisors on June 24, 2010.

Attested: _____
Secretary