

The Annual Report For Multnomah County Drainage District #1



"One of the most genuinely rewarding experiences I've had is to serve the landowners of the Drainage District on their Board of Supervisors. The issues are interesting; the results gratifying."

Tim Warren
President



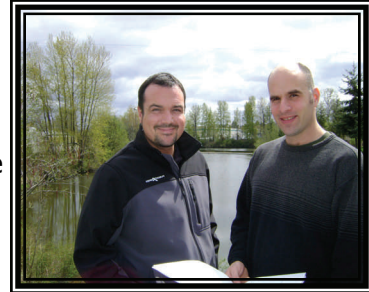
FY 2007-2008
prepared
April 2009

GENERAL BACKGROUND FOR THE YEAR

FY 2007-2008 was a year of excitement for the MCDD. Excitement because of the work done to resurface the Marine Drive levee beginning at the 42nd Street Boat Ramp; exciting because of the low cost arrangements made for the levee resurfacing; excitement to replace a 20 year old excavator on its last legs; excitement, still, for being able to add a new mower deck for the excavator and a thirty foot trailer to haul it on; excitement for solving a long held concern for a federally certified levee between MCDD and PEN 2. It was a year in which the district made significant strides in planning for its future.

STAFF

We were excited to welcome two new staff persons. Justin Krueger came from Roseburg, where he worked for his family's environmental and safety company, to become MCDD's crew leader. His is the first new staff position in several years and creates an opportunity to provide greater supervision of and planning for the District's highly skilled field crew. Adam Zucker came from the private sector to become the district engineer. This was not a new position but had not been filled for some time because of the difficulty of finding a qualified civil engineer. Adam acts as a design engineer and project manager for the District. Both men are absorbing institutional knowledge understanding they could be part of the restructuring as District employees retire over the next 5-8 years.



PUBLIC INVOLVEMENT

The district is always looking to interact with its public members. The annual meeting of the landowners was held in January and attended by about 30 people. A specially prepared power point production was presented which highlighted the district's efforts over the last year. It was well received.

District staff attended the Fairview Lake Property Owner's Association annual meeting and made a presentation there. They also attended one of the association's board meetings to speak with their leadership about issues of mutual concern.



The District continued to support the Columbia Slough Watershed Council and it's fine work by hosting the Columbia Slough Small Craft Regatta in July 2007. About 500 people with over 300 watercraft attended making it the largest small craft regatta in the State of Oregon.

And finally, in conjunction with the Regatta, the drainage districts celebrated 90 year of service to the community by premiering a video specially produced for the occasion called "Tested and Ready" which documents not only the history of the districts but also highlights the advances made in recent years that allow the district to be used as a national model for other districts. In addition, a sculpture created by the field crew was unveiled. It was made from recycled metals found around the shop and is located outside the main office for all to admire. For more information about The Sentinel, the video or other areas of interest, please check out the districts' website at www.mcdd.org.

PROJECTS

The resurfacing of the landward side of the Marine Drive levee was the largest of the projects taken on in FY 2007-2008. Deputy Director Dave Hendricks was able to secure:

- 1) a source of soil that tested acceptable to place on the levee,
- 2) a contractor to sort and sift the soil so only the finer of the particles would be placed on the levee,
- 3) the same contractor to place the soil and grade it into a proper, federally-mandated slope ready for hydro-seeding so grass roots would secure the soil,
- 4) a place to do all this as property next to the levee, at the west end of the airport on Port of Portland land, was negotiated as a holding and screening area for this purpose.



This was a \$105,000 project that could have been three times that amount were it not for the remarkable work to keep costs way down. The remainder of the levee on both the landward and riverward side, out to 223rd, will be resurfaced over the next ten to fifteen years as soil and dollars become available. Once an area has been resurfaced, the resurfacing will not need to be done again for another 40 or so years.

A second project was the building of the 181st pump station. Through a partnership between private development firm Prologis, Portland Development Commission (PDC) and Multnomah County Drainage District, a new, modern pump station was constructed. Prologis and the PDC had development property in the same basin and contributed funds toward the pump station. Prologis then donated the station to the district, which put in the SCADA system, with accompanying data access and monitoring, to match the other pump stations. This replaces a temporary pump station that operated for about 18 years near the same location, but in recent years had been a maintenance liability for the district.

A third project installed an emergency, turn-key diesel generator at the MCDD office. This makes the office and its command center self sufficient during a power outage, raising the confidence for protection of the district during a high water or flood event.

A final project was coordinated with MCDD and Peninsula Drainage District #2 sharing the cost of removing trees on the levee between them. A USACE inspection found that the trees jeopardized levee integrity and needed to be removed. The choice was to remove about 1,500 trees from a levee on the PEN 2 side of the canal and remove about 500 trees on the MCDD side of the canal so both levees could be recertified, or only remove the 500 trees from the levee on the MCDD side. Neither levee had been on the federal certification list for decades. Now with the 500 trees removed, the eastern most levee has been put on that list. The Peninsula Canal plug near the MCDD complex was resurfaced and enlarged to complete federally mandated changes to MCDD levees.

Before



After



THE BOARD OF SUPERVISORS

The board continues to be engaged and supportive of both the district and its staff. President Tim Warren was elected to his third three-year term of office and was re-elected by the board to the presidency of the district. Grant Zadow completed his term as Commissioner for the Port of Portland and also the Board of Supervisors for MCDD. He has done a quality job representing the Port, plus all landowners of the district, and will be missed. His replacement from the Port Commission is Bruce Holte, whom the board appointed to the vacant board seat until the next election. Bruce is a longshoreman and an elected officer of his union. He was elected at the annual landowner meeting in January 2008 to a three year seat on the board.

The board took part in a March 2008 training of all four boards of supervisors. The training provided by the districts' legal counsel Andy Jordan was on statutory authority, policies and procedures, relationship of board to staff, ethics and new legislation. David Ulbricht of Wedbush Morgan Securities spoke on bond issues, flex leases, and other loans and reserves, preparing the boards for the decisions they will ultimately be asked to make regarding capital funding. The morning training was followed by a BBQ lunch with all MCDD staff members at which awards were given and acknowledgements made.

AWARDS

MCDD received two awards during this time period, both from the Special District Association of Oregon to which it belongs. Competition was among 900 special districts in Oregon for these awards. The first was the 2007 Outstanding Special District Program Award for the district's work at creating the 4MAT (Four District Management Advisory Team), a quarterly roundtable of the four Columbia Corridor drainage districts' presidents used by staff to explore and discuss topics of mutual concern. The other was the 2008 Outstanding Special District Service Award offered to field crew member, and longest serving MCDD staff member, Tom Andersen. Tom ran the Spyder for the six years of the Corps of Engineers funded 1135 project on main slough dredging. His on-water work uniquely created benches and islands within the slough, which provided about 15 acres of emerging wetlands, while doing what the district needed to do to maintain the hydraulic cross-section of the channel. All total, the project was funded for about \$800,000 by the US Army Corps of Engineers. Congratulations to Tom for a job well done. And thanks to the USACE for their support of this environmental project.

MANAGING THE DISTRICTS

The MCDD manages an additional three adjacent drainage districts in the Columbia Corridor. By operating them as one district, efficiency, cost savings and collaboration are increased significantly. For instance, the SCADA system ties all eleven pump stations of the four districts together into one computer network that can be operated from either a master control PC in the district office or by specially programmed laptops by evening and weekend on-call personnel. If need be, pumps can be turned on and off, one of about seven operational modes can be set, trash rakes can be managed and alarms can be monitored throughout the system. A problem that needs resolution in more than one district can be researched by staff one time, saving money for all districts who otherwise would have spent at least three times the time and significant dollars to find the same solution.



EQUIPMENT

The 1989 Caterpillar excavator was replaced by a new Case #320 at a cost of \$154,000. The Board decided to pay for it from reserves rather than finance it. This saved the district interest and finance charges over the three years of a potential sales contract. It was also necessary to replace the mower deck attachment for the excavator used for mowing along ditches and knocking down brush during the summer months. The old mower deck had been repaired many times but was worn out. A high boy trailer was purchased that allows not only the excavator but the Spyder, and even the tractor mowers used on the levees during the summer, to be hauled. These two items were purchased for \$52,000. The total for equipment purchase was \$206,000, most taken from reserves, that provides the district with reliable equipment for many years to come.



The Spyder, the unique excavator that can operate on steep banks and walk into water up to six feet in depth, is about ten years old and many of its parts were at or near the wear point. Following an analysis as to whether to replace it or rebuild, it was determined the district staff was capable of completing most of the rebuilding so the project was undertaken. All the hoses were replaced, the engine tuned, the boom was rebuilt and strengthened and the joints and hinge points replaced. The body was repainted and electrical was updated. Parts were replaced with off-the-shelf American made parts rather than the significantly more expensive, original German-made ones, and special mounting brackets were made to accommodate them. The rebuild should last another five years or longer. Congratulations to the field crew for this fine work.

PLANNING

The district staff had a four week exercise to update the district strategic plan. All were involved and the document added an eighth category, "Education", to the mix of issues to be addressed. The plan can be found on the previously mentioned website.



The district continues to work with the Cities of Fairview and Gresham as they prepare to adopt new ordinances and/or codes to meet Metro's Title XIII requirements for natural resource protection and enhancement. District staff worked with Metro planners, who drafted a model ordinance, to fine tune the model ordinance language about drainage districts. It would be advantageous now if each city adopted similar language in their documents. January 2009 is the deadline for adoption.

A capital improvement program (CIP) has been prepared by district staff to help guide the district in meeting its obligations over both the short and long range. The plan is out to about a ten year projection now. For more information, go to www.mcdd.org and click on capital improvement plan.

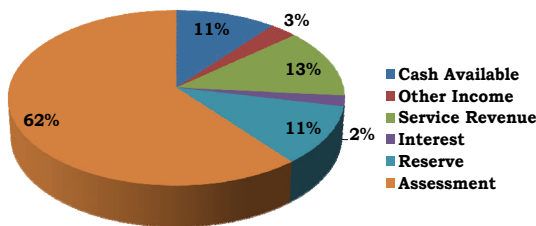
FINANCE PAGE

The financial statement for MCDD's FY 2007-2008 showed the following out of ordinary circumstances:

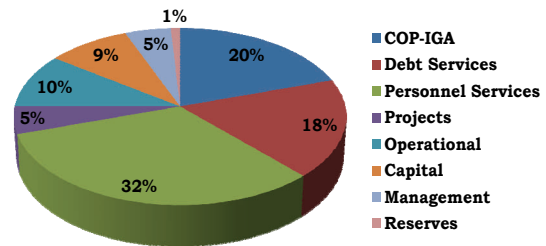
- The Board approved using reserve funds to make purchases rather than financing them;
- Recognizing that some projects would not be completed in FY 2006-2007, the District allowed \$413,000 in cash available to carry-over use in FY 2007-2008;
- Because of end-of-year billing issues, an extra payment was made on the City of Portland Stormwater Agreement in FY 2007-2008, which was part of the carry-over funds.
- Nearly \$30,000 in old equipment was sold to Sauvie's Island Drainage Improvement Company including the old excavator;
- Approximately 18% of the total budget went to paying the Bond Issue that allowed the District to upgrade its facilities and equipment in 1997 and 1998.

The following charts show how the revenues and expenses were categorized:

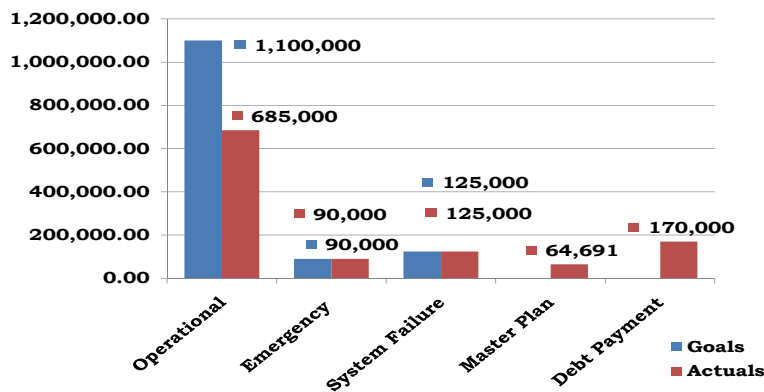
**Actual Resources - \$3,684,980
FY 2007-2008**



**Actual Expenses - \$3,684,826
FY 2007-2008**



**Reserve Goals
June 30, 2008**



Please call MCDD if you have any questions about this report: 503-281-5675 x300