

Annual Report for the Peninsula Drainage District #1



Chris Bailey
Peninsula Drainage District #1
Board President

"As a 12 year member of the PEN 1 Board of Supervisors, I have seen many improvements as the District strives to fully protect its businesses and facilities from flooding. I am proud of my fellow Board members as they work together to make a difference."

FY 2008-2009
prepared
February 2010

GENERAL BACKGROUND FOR THE YEAR

With the widening of I-5 at Denver Avenue, the considerations and planning for the Columbia River Crossing, the contemplation of upgrading the pump station, it has been an interesting year for PEN 1. The US Army Corps of Engineers and FEMA certified the PEN 1 levees in 2007 per a national requirement issued by FEMA, following the Katrina floods in New Orleans, to certify all the federal levee systems in the country. Some guidelines are not yet clear but we anticipate inspections to take place annually and certification to happen every five years. The Districts will be responsible for paying for levee certification.

THE BOARD OF SUPERVISORS

The PEN 1 Board has five dedicated members. They are:
Chris Bailey, Director of the Portland EXPO Center, and PEN 1 Board President — 13 years service
Bill Briggs, President of Oil RE-Refining Company — 4 years of service
David Ernst, Environmental Manager for Graphic Packaging — 14 years of service
Kurt Redd, President of Diversified Marine — 4 years of service
Mark Wigginton, Manger of Portland International Raceway — 9 years of service

The Board took part in a March 2009 training of all four boards of supervisors by the loss control staff of the Special Districts Association of Oregon (SDAO). Scott Neufeld took the Boards through three areas that were deficiencies noted in the annual best management practices review. Topics were: Safety 101, Risk Management 101 and Investigations. By adding these to the topics covered by the Boards, the annual general insurance premiums paid to the Districts' self-insurer, SDAO, will be reduced. The morning training was followed by a BBQ lunch that included all MCDD staff members at which awards were given and acknowledgements made.



DISTRICT MANAGEMENT

Landowners will recall that PEN 1 joins two other Columbia Corridor Drainage Districts in being managed by MCDD. By operating all four as one district, efficiency, cost savings and collaboration are increased significantly. An example of this is the reorganization of the SCADA system, which provides computer-operated, real-time control over all pump stations, to transfer from wireless broadcasts to use of landlines for communication. There are so many devices now using radio frequency transmitters that the bands available for use from the federal government are being split and re-split to accommodate all the cell phones and other electronics in use. The system was rapidly becoming obsolete. Going to landlines provides greater security and eliminates all the noise that interferes with data transmission. Doing this for all pump stations throughout the four district system costs less in capital costs and keeps the integrity of the system intact.

PROJECTS

I-5 widening at Denver Avenue. There are a number projects going on in the District. One that is mid-construction is the I-5 widening at Denver Avenue. This work is being done over the slough and pilings are being driven into the levee. It must be done to federal standards. ODOT engineers have been good to work with as have those of the contractor. All is going according to schedule with completion estimated in 2010.

Columbia River Crossing. Another I-5 project is the Columbia River Crossing. PEN 1's IGA staff has been working with ODOT engineers for over two years on handling the stormwater if the Crossing is built. Current plans call for the majority of the stormwater to be delivered into PEN 1 where it will be treated and then discharged into PEN 1's system for removal. It is not yet clear how much additional capacity that will entail, but preliminary plans call for the Vanport Wetlands pump station to be rebuilt to handle the greater capacity. Plans call for the pump station to be moved about 100 yards further west when rebuilt. ODOT has said it will participate in the rebuild as part of the Crossing project. A final bridge build decision may still be a couple of years off, but stormwater progress is being made in the interim.

Marine Drive Drainage Pipes. When the USACE certified the levees in 2007, they found a number of old drainage pipes going under Marine Drive into the river. The District knew they were there and had begun working to learn who owned them and if they were still functioning as originally built. Over the next two years, the pipes will be TVed to learn as much as possible so the appropriate actions may be taken. Some can be sealed forever, while others may have to be repaired to continue their function.

Pump Station Repair. The primary District pump station is in need of repair. The District's IGA staff will do an analysis and offer options for the Board to consider in drafting the 2009-2010 budget. The ranges are likely to be from a total rebuild to major changes to the superstructure under the pump station. The issue of concern is the pump station has no wet wells or protection from debris being sucked into the pumps. This poses a significant risk that the board wants to correct. Look for a decision to be made in 2009-2010 and construction done in the fall of 2010.



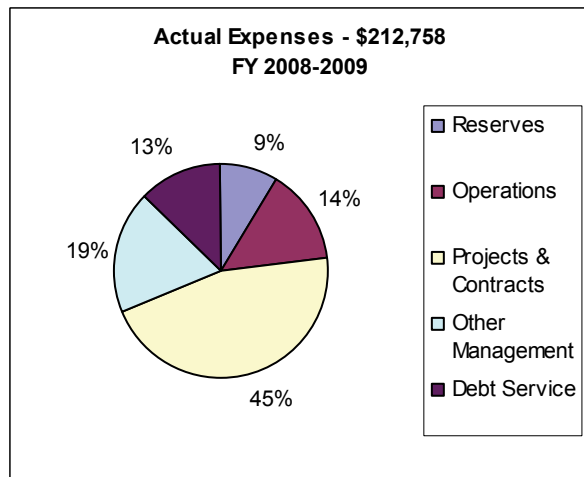
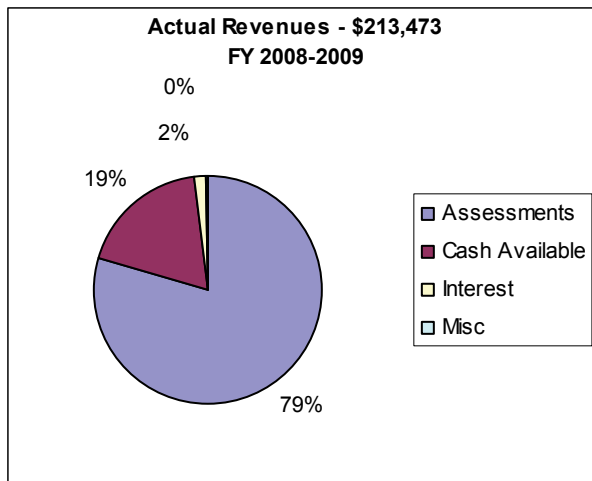
Stormwater Agreement. The stormwater Intergovernmental Agreement between PEN 1, PEN 2, MCDD and the City of Portland sunsets in 2012. The parties are attempting to get together to see what terms could be negotiated for the future. The City has said it believes about \$2 million per year should come from the three Districts' landowners to reach parity with other City rate payers. Landowners now pay a three-District combined total of about \$660,000 per year. That is a big separation for the negotiators to handle.

FINANCE PAGE

The financial statement for PEN1 FY 2008-2009 showed the following:

- The PEN1 paid MCDD in its FY 2008-2009 contract \$51,450 for maintenance of pump station, levee, ditches and culverts, and inspections, capital outlay and administrative project costs;
- The PEN1 is fiscally sound. It ended the year with net assets totaling \$364,000 including the aforementioned reserves, plus insurance values for pump stations and ditches, and other cash;
- All accounts were fully insured, both in the Bank of America and the Local Government Investment Pool (LGIP);
- PEN1 ended the FY with \$9,970 of assessment uncollected from 1998-2009;
- PEN1 actual assessment collected for FY 2008-2009 was \$169,900, \$5,000 less than expected.

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



Please call PEN 1 if you have any questions about this report: 503-281-5675 x300.
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