

Annual Report for the Peninsula Drainage District #2



**Richard Shafer
Peninsula Drainage
District #2
Board President**

"During my ten years on the Board, it has pinched every penny possible yet still diligently worked to upgrade facilities, minimizing the risk of a flood in our district. I am proud of that legacy."

FY 2008-2009

prepared

March 2010

GENERAL BACKGROUND FOR THE YEAR

With the widening of I-5 at Denver Avenue and the considerations and planning for the Columbia River Crossing, it has been an interesting year for PEN 2. The US Army Corps of Engineers and FEMA certified the PEN 2 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 inspections.

THE BOARD OF SUPERVISORS

The PEN 2 Board has five dedicated members. They are:

Dick Shafer, PEN 2 Board President — 10 years of service

Victor Stibolt, VP of Administration for Jubitz Corporation—2 years of service

Walter Valenta — 2 years of service

Jason Ashe, President of JAI, Inc. — 1 year of service

Karen Myers — 1 year of service

The Board took part in a March 2009 training of all four boards of supervisors offered 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 2 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, as do final repairs when the project is completed. 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 2's IGA staff has been working with ODOT engineers for over two years on handling the stormwater if the Crossing is built and planning for replacement of the levee under the south end of the I-5 bridge. 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. The levee connects Pen 2 with Pen 1 under the I-5 bridge. The levee is low and will need to be raised, something that will be part of the project. A final bridge build decision may still be a couple of years off, but stormwater and levee progress is being made in the interim.

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 to the City a three-District combined total of about \$648,000 per year. That is a big separation for the negotiators to handle.

Bridgeton Tree Removal. Pen 2's Board President Dick Shafer, acting on behalf of the Board and the District, worked out a plan with the Bridgeton Neighborhood Association regarding tree removal, tree planting and other amenities to improve the neighborhood. Trees were planted around the athletic field of Columbia School in the fall of 2008. The District has set aside about \$32,000 per year for the next two years to invest in neighborhood beautification.



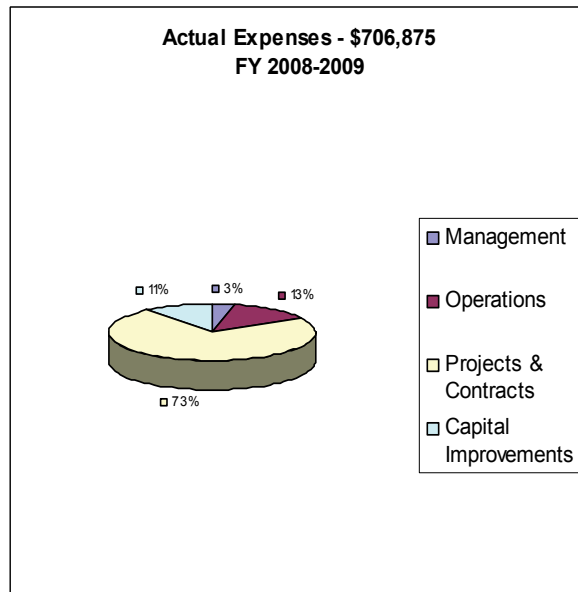
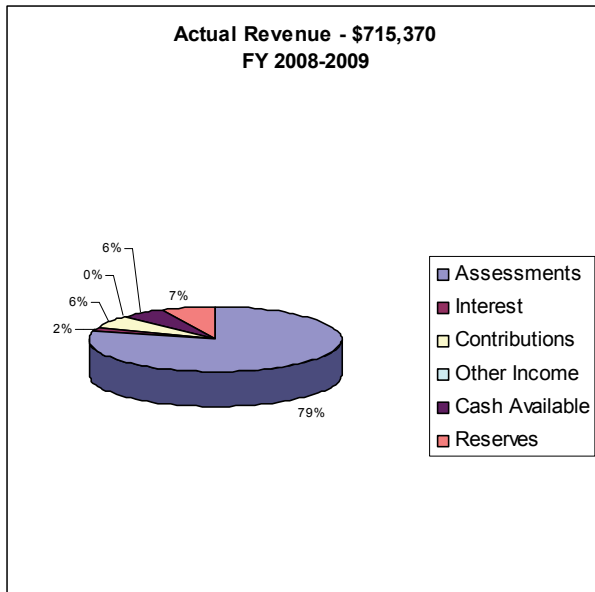
4MAT Roundtable. The four Drainage Districts continue to meet on a quarterly basis at the 4 MAT (Four District Management Advisory Team) roundtable, an award winning event that draws at least the four District Presidents who are authorized by their boards to attend. In addition, other board members are encouraged to join the roundtable as time allows. MCDD staff prepares the agenda with items they wish to convey to the boards, or issues they need to explore. No decisions can be made, and no direction can be given staff. If common ground is reached, then each board at subsequent meetings must authorize or approve any action. PEN 2 board members have been regular attendees at these roundtables.

FINANCE PAGE

The financial statement for PEN2's FY 2008-2009 showed the following:

- PEN2 paid MCDD in its FY 2008-2009 contract \$158,300 for maintenance of pump stations, levees, ditches and culverts, and inspections, capital outlay and administrative project costs;
- PEN2 is fiscally sound. It ended the year with net assets totaling \$2,738,780 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);
- PEN2 ended the FY with \$37,030 of assessment uncollected from 1998-2009;
- PEN2 actual assessment collected for FY 2008-2009 was \$564,770, \$2,200 less than expected.

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



Please call PEN 2 if you have any questions about this report: 503-281-5675 x300.
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