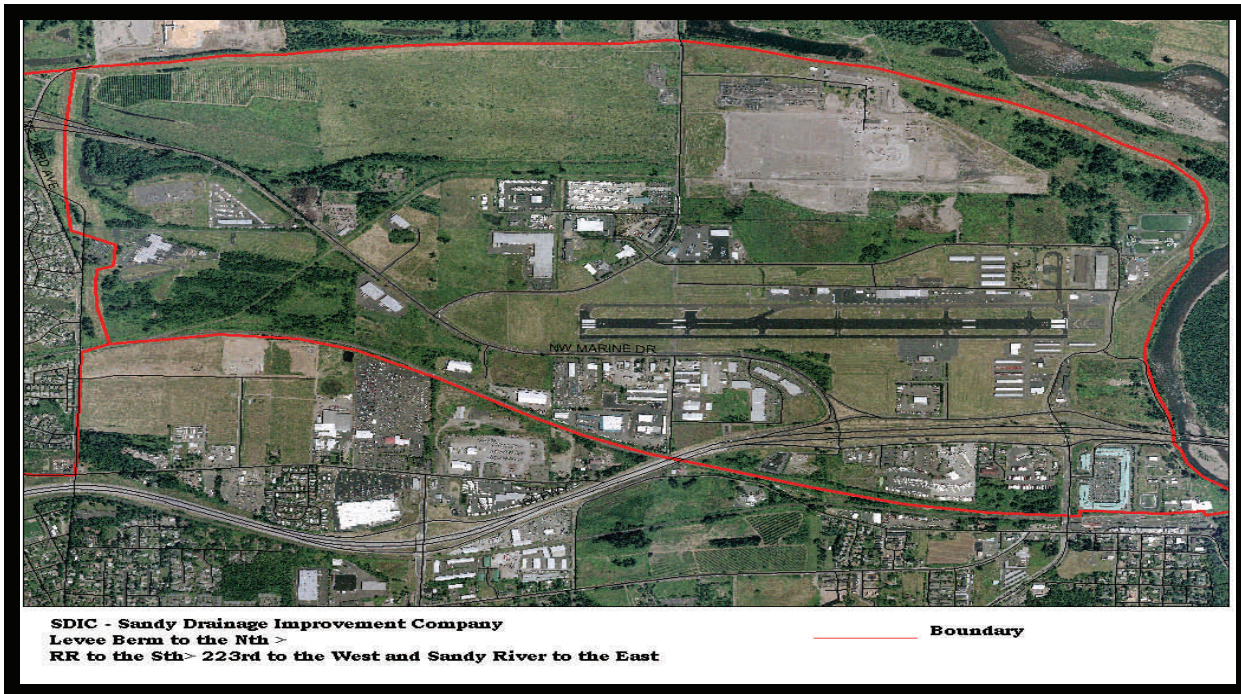


Annual Report for the Sandy Drainage Improvement Company



FY 2008-2009
prepared
February 2010

GENERAL BACKGROUND FOR THE YEAR

Much happened the last year to move SDIC along a path of meeting new demands. The FEDEX buildings were begun, ultimately to be 100,000 square feet in size. The improvements to roadways were begun with a large box culvert placed under Sundial Road, and Salmon Creek to the east of Sundial Road was rechanneled. More of the SDIC levee was resurfaced; a wetland weir is financed; and an IGA with Multnomah County Roads was proposed and started by the County.

THE BOARD OF SUPERVISORS

The Board did not change this year, Bob Fowler of Toyo Tanso USA, was elected to his first three-year term on the Board. Bob had been appointed to fill an unexpired term of a retiring Board Member. President Larry Medearis of the Port of Portland was re-elected by the Board to the presidency of the SDIC. The third Board member Dale Shamp, Environmental Health and Safety Manager for NACCO, continues to serve on the Board. He is now in his 20th year.

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.

WEIR PROJECT

The Port of Portland and SDIC have agreed on a plan to utilize wetlands as flood storage. This will provide about 100 acre feet of storage on Port-owned property. In return, the Port will get major environmental benefits for enhancing wetlands. A weir will be constructed near the confluence of Salmon Creek and Arata Creek that will be used to divert water into the wetlands during high water events. A channel would be enlarged through the wetlands to better carry water, and numerous back water eddies would be improved. The City of Troutdale, a critical partner in all of this development, has set aside \$150,000 for the construction of the weir in 2011. The City's involvement acknowledges the additional water coming into the system from non-SDIC portions of Troutdale, a challenge that will continue as more portions of Troutdale develop. So the solution is a win-win-win for all three partners.



MANAGING THE DISTRICTS

Landowners will recall that SDIC 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 and keeps the integrity of the system intact.

PROJECTS

The resurfacing of the of the landward side of the levee West of Sundial Road continued this year with soil coming from the excavation for taxiways at Troutdale Airport. The contractor hauled the soil to the site, dumped it and had his bulldozer guy spread it to SDIC standards. He then hydro-seeded the newly sloped section. This was all done at no cost to SDIC or its landowners.

A new bike/pedestrian path was constructed by the Port of Portland atop the levee from Sundial Road east to the Sandy River. It was done as part of the development of the old Alcoa/Reynolds Aluminum property purchased by the Port. The SDIC encourages asphalt paths on top of levees. It provides better surface for SDIC's levee maintenance crews to drive and the increased bicycle use and walkers provide extra security, easing vandalism. In the future, the trail will be extended west to the SDIC pump station and link into a trail there constructed by the City of Fairview.

SDIC received authority from the Port of Portland, the City of Troutdale and finally the railroad company to remove obsolete tracks going over two culverts that allowed Arata Creek to flow. The culverts were originally installed at the wrong elevations and restricted flow of the creek. SDIC removed the tracks and culverts and graded an open ditch through the area. This will be easier to maintain and will not restrict flow as the amount of water Arata Creek is asked to handle increases with upstream development. Hydro-seeding completed the \$6,000 project. The removed tracks were stored near the site in case they ever need to be replaced to accommodate rail traffic.

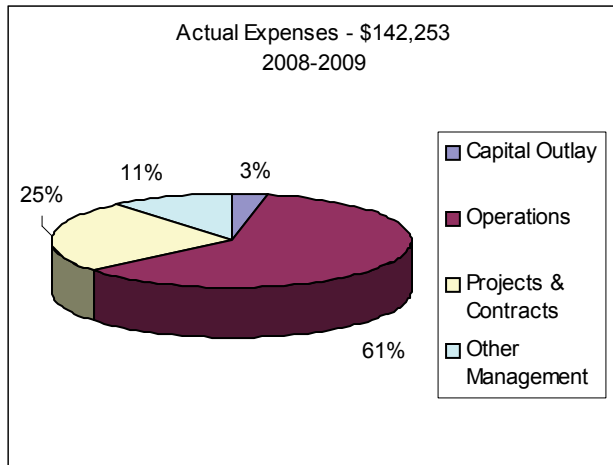
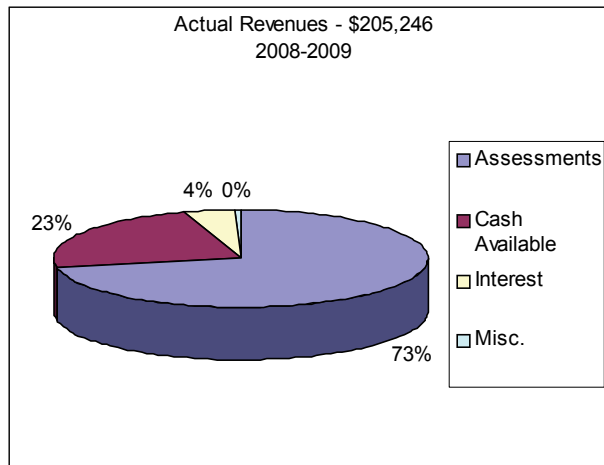


FINANCE PAGE

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

- The SDIC paid MCDD in its FY 2008-2009 contract \$96,900 for maintenance of pump station, levee, ditches and culverts, and inspections, capital outlay and administrative project costs;
- The SDIC is fiscally sound. It ended the year with net assets totaling \$833,932 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);
- SDIC ended the FY with \$9,040 of assessment uncollected from 1998-2009;
- SDIC actual assessment collected for FY 2008-2009 was \$148,270, \$6,180 less than expected.
- The larger than normal carry-over of \$62,993 was from anticipated projects that got held over to the next FY budget.

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



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