

Tualatin Basin Water Supply Project Policy Steering Committee

Draft Meeting Report

September 27, 2007

Attendance

Policy Steering Committee members:

Tom Brian (Clean Water Services Board Chair), **John Godsey** (City of Hillsboro Utilities Commissioner), **Jim Love** (Tualatin Valley Irrigation District Board Chair), **Dick Schmidt** (Tualatin Valley Water District Commissioner), **Forrest Soth** (former City of Beaverton Councilor) **Jim Doane** (Tualatin Valley Water District Board Chair), **Ed Truax** (City of Tualatin Councilor).

Water Supply Project Partner officials and staff:

Greg DiLoreto (Tualatin Valley Water District General Manager), **Kevin Hanway** (City of Hillsboro/Joint Water Commission), **Dave Nelson** (Bureau of Reclamation), **David Winship** (City of Beaverton), **Mike McKillip** (City of Tualatin).

Clean Water Services staff:

Jeanna Cernazanu (Public Involvement Coordinator), **Bill Gaffi** (General Manager), **Mark Jockers** (Government and Public Affairs Manager), **Bruce Roll** (Watershed Management Division Director), **Tom VanderPlaat** (Water Supply Project Manager).

Other agency staff and consultants:

Eric Glover (Consultant), **Wally Otto** (TVID), **April Olbrich** (Tualatin River Watershed Council).

General Public:

John Driscoll (North Plains), **Dan** and **Beth Irwin** (Gaston), **Wendell Locke** (Gaston), **Heather Morrison** (Gaston), **Mark San Soucie** (Beaverton), **Alex Williams** (Gaston),

Meeting Summary

S-1. Call to Order and Introductions

The meeting was called to order at 6:37 pm by Policy Steering Committee (PSC) Chairman Tom Brian in the conference room of the Clean Water Services Administration Building near Hillsboro. Members and others offered self-introductions.

S-2. Minutes of Previous Meeting

The minutes of the March 22, 2007 meeting were unanimously approved as distributed.

S-3. Project Status

Tom VanderPlaat (Clean Water Services Water Supply Project Manager) presented an update on the Water Supply Project. Its current focus is mostly the title transfer process (to transfer ownership of Scoggins Dam and surrounding areas from the federal Bureau of Reclamation to a local jurisdiction). The Bureau of Reclamation has already reviewed and commented on a Draft Environmental Impact Statement (EIS) document for the Water Supply Project. In turn, project staff provided feedback on the Bureau of Reclamation's comments, and re-submitted the document for further consideration. It will take a minimum of 60-90 days for the Bureau of Reclamation to finalize the information and complete their required processes; then, local partners will have another opportunity to make further comments.

Project staff met with the Natural Resource Agencies to update them on specific elements of the Water Supply Project, and to brief them on the title transfer work that has been occurring. The Water Supply Partners have been going through a process to approve the Joint Funding Agreement, Third Amendment, to fund the next phase of the project —the majority of which is related to the title transfer process.

There has been public interest and discussion regarding hydroelectric power generation. An application was submitted to FERC by an outside party that now has been withdrawn. The Water Supply Project will continue to pursue other processes before re-considering hydroelectric power generation at Scoggins Dam. A review was previously conducted on hydroelectric power generation at the dam, which proves to be feasible but non-economic at this juncture. The PSC will look at that possibility again as needed in the future.

S-4. Title Transfer Ownership Framework

Mr. VanderPlaat presented a PowerPoint presentation outlining the details of the Tualatin Project and its title transfer components. The presentation describes the existing Tualatin Project and its current project contractors; the cost and contents of title transfer; the stakeholders supporting the investigation of title transfer; the benefits of title transfer and local ownership; the elements that still need to be studied and acted upon for title transfer; the members of the Governance Task Group, along with their tasks and schedule; the Draft Principles of Agreement between the Water Supply Partners; a Governance Structure review; the Title Transfer Investigation Agreement; upcoming policy actions; and the requested actions of the PSC. The complete PowerPoint presentation is available at the end of this document (*Attachment A*).

By the end of 2007, the Partners will have a Memorandum of Agreement with the Bureau of Reclamation that will become an Intergovernmental Agreement (IGA) to go to policymakers for their approval. Mr. VanderPlaat clarified that the title transfer process is an “as-is, where is,” not to be confused with the dam raise of the Water Supply Project. He highlighted the

accelerated schedule of this title transfer process, necessary due to the urgency of some Partners' water supply needs—as soon as 2016. The major investment in dam design, etc., will occur over the next two years.

Mr. VanderPlaat reviewed handouts delineating the Principles of Agreement for Title Transfer (*Attachment B*) and the Tualatin Basin Water Supply Partnership Governance Structure (Draft) (*Attachment C*). He explained that the “skeleton” Water Supply Partnership Governance Structure has been developed through a facilitated process involving all members of the Water Supply Partnership, and that it is based on researched elements from other water supply agencies, such as Cascade Water Alliance, Bull Run Regional Agency, and the current Joint Water Commission and Barney Reservoir joint ownership processes. He noted the three-committee structure, including a Governing Body, a Management Committee, and an Operations Committee. The Partners are committed to future exploration of the idea of regional management through a single water supply agency; Mr. VanderPlaat noted that the idea of regional ownership/management goes back at least as far as 1963.

S-5. Discussion and Public Comment on Principles of Agreement and Governance Framework

Chairman Brian invited any public comment on the Principles of Agreement and Governance Framework.

Mark San Soucie (Beaverton resident) requested clarification of the relationship between Barney Dam and Scoggins Dam. Mr. VanderPlaat responded that the Joint Water Commission (JWC) and Clean Water Services currently manage the two dams together in many cases. The two organizations strive to maximize the efficiency of existing operations and other related supplies, not only for municipal needs but also for irrigation. The managed system is smart in terms of how much volume is available for diverse needs.

Mr. San Soucie inquired why the members of the JWC are listed as existing Tualatin Project payment contractors, but the JWC itself is not listed. Kevin Hanway (City of Hillsboro/Joint Water Commission) explained that the JWC is a partnership, consisting of individual members.

Mr. San Soucie finally queried how a supply agency governance structure is substantially different from the structure currently under consideration. Bill Gaffi (Clean Water Services General Manager) responded that presently each partner jurisdiction is responsible for meeting its own financial needs individually. Forest Grove is an example of a partner for whom it is an imposition to invest in the Water Supply Project at this time. A single agency structure/entity that met individual partners' needs as they came up would reduce the issues associated with diverse advantages and disadvantages for different individual partners. However, a single agency structure would mean a huge institutional reform. Some jurisdictions see such a reform as disadvantageous, requiring a surrender of local control.

Forrest Soth (former City of Beaverton Councilor) noted three Washington County agencies with elements common to this potential water supply agency model: The Water Providers' Consortium; the 911 agency, which consists of 19 jurisdictions; and the JWC. He asserted

that it might be beneficial to take these agencies' agreements as examples, which might eliminate a lot of research. Mr. VanderPlaat and Mr. Gaffi agreed with Mr. Soth, explaining that they have been "taking pieces that seem fitting to this process" and looking at a fair number of agency models, both within Washington County and throughout the western United States, such as the Cascade Water Alliance.

Tom Brian (Clean Water Services Board Chair) stated that he was impressed with the progress there has been on the Principles of Agreement and the outline of Governance, and he also thought the work was of high quality.

Mr. Soth asked why Lake Oswego Corporation was not included under the partner signatories for title transfer. Mr. VanderPlaat explained that Lake Oswego Corporation's status as a private corporation creates a challenge in joining an IGA. Mr. Soth suggested that equal participation could be provided for Lake Oswego Corporation via an addendum or amendment to the IGA. Chairman Brian asserted that Lake Oswego Corporation could contract with the Partnership, but that they would not have a vote. As a contractor, Lake Oswego Corporation may potentially be shielded from liability. Lake Oswego Corporation might like to have the best of both worlds: to be shielded from liability and have a vote. The status of Lake Oswego Corporation within the Water Supply Partnership is still under discussion. Mr. Hanway clarified that the Lake Oswego Corporation, a private corporation, is not to be confused with the City of Lake Oswego.

S-6. Approval of Principles of Agreement and Governance Framework

Chairman Brian moved to accept the following two items together; Forrest Soth seconded both.

The PSC voted unanimously to accept the Principles of Agreement for Title Transfer. The PSC voted unanimously to accept the Tualatin Basin Water Supply Partnership Governance Structure.

S-7 Public Review of Outreach Process

Jeanna Cernazanu (Clean Water Services Public Involvement Coordinator) reminded the group that during the March PSC meeting, there was discussion about expanding the PSC to include more members. There was some question about how the public process would work, and whether the PSC would continue using the same stakeholder groups/process as had been used for the Water Supply Project. Ms. Cernazanu and others talked with the Clean Water Services Advisory Commission, proposing to use them as the stakeholder group for public review, to concur and provide feedback on the PSC's public process. At their April meeting, the Advisory Commission agreed to take on this role on behalf of both the Clean Water Services Board as well as the rest of the PSC committee. They were updated earlier this month.

As of April, the Tualatin River Watershed Council agreed to provide technical feedback and general comment on title transfer issues. They were also updated earlier this month.

Clean Water Services continues to communicate with residents of the Hagg Lake area about potential impacts of the Water Supply Project. Ms. Cernazanu asserted the project's commitment to collaboration with residents in finding proactive solutions to issues that may be caused by the Water Supply Project. She reported on a successful first meeting with the Stutz family, which will be the family most impacted on Tanner Creek. Together, they explored options to lessen the impact to the Stutz property, including a potential fill of land. The family is concerned about the 300-foot buffer, which has a large impact on their property. Ms. Cernazanu will be assuring them that the buffer area is not final, but is the maximum number proposed by the Bureau of Reclamation. She is committed to acknowledging the items they want to correct, such as placement of their water line, and to finding ways to work with the family's preferences. The Stutz family's thoughts are detailed in a September 26 letter to the PSC (*Attachment D*).

Ms. Cernazanu noted fruitful conversations with other property owners, including John Kelley and Sally Wojahn, who have offered insights for their property along Tanner Creek; and Belinda Hanley, who is interested in selling her property off Sain Creek. Project staff invite any neighbor to meet with them to discuss property impacts, as individual discussions are the essence of moving this process forward.

Ms. Cernazanu reported that the Water Supply Project website is now up and running. She invited all partner groups to add a link to this site on their own home websites. The PSC looked briefly at the new website at the meeting. The site will soon feature more maps showing 300-foot buffers, a comment and feedback form, and a mailing list signup. Ms. Cernazanu requested that all PSC attendees sign up for the mailing list by submitting their email addresses. The website is www.tualatinbasinwatersupply.org

S-8 Federal Funding Update

Mark Jockers (Clean Water Services Government and Public Affairs Manager) reviewed the federal appropriations process for the Water Supply Project, which is as follows: The Water Supply Project received Congressional authorization in 2004 for an appropriation of up to \$2.9 million to pay for 45% of the EIS. The actual funding, however, was not part of the authorization. Over the last three years, with the help of Senator Smith, Senator Wyden and Representative Wu, approximately \$787,000 has been secured toward the \$2.9 million commitment. Mr. Jockers reviewed this year's appropriation request for the EIS for the Water Supply Project, the balance of which is \$2.11 million. Another appropriation has also been requested of \$500,000 to pay for 50% of the facilities assessment for the Title Transfer.

Mr. Jockers also reported that the House Energy and Water Bill includes \$1 million for the Water Supply Project while the Senate Energy and Water Bill includes \$250,000 for the project. Congress is going through a process right now to reconcile those numbers in conference. A letter has been submitted requesting the higher funding amount. The Senate Energy and Water Bill has also appropriated \$400,000 for the facilities assessment (out of a requested \$500,000). The House Energy and Water Bill includes \$368,000. These numbers will be easier to reconcile. The conference committee reconciliations should be complete by mid-November.

Mr. Jockers noted that these numbers represent how much support the Water Supply Project has with members of the Oregon delegation, particularly due to the 17 local delegates (PSC members and staff from several Water Supply Partners) who advocated for the project in Washington, DC last January and March.

Appropriations for next year are now being considered, to fill in any gaps that remain in the current appropriations. Mr. Jockers and others are working on the question of what conversations need to occur with the appropriate Senate and House committees to move legislation through for title transfer.

S-9. Public Comment

There was no additional public comment or further business from the committee.

S-10. Adjournment

Chairman Brian thanked everyone for coming and declared the meeting adjourned at 7:40 pm.