

# Tualatin Basin Water Supply Project Policy Steering Committee

## Draft Meeting Summary

April 10, 2008

### Attendance

#### Policy Steering Committee members:

**Tom Brian** (Clean Water Services Board Chair), **Jim Doane** (Tualatin Valley Water District Board Chair), **Rod Fuiten** (former City of Forest Grove Councilor), **John Godsey** (City of Hillsboro Utilities Commissioner), **Herb Hirst** (City of North Plains Councilor), **Jim Love** (Tualatin Valley Irrigation District), **Forrest Soth** (former City of Beaverton Councilor), and **Tom Woodruff** (City of Tigard Councilor).

#### Water Supply Project Partner officials and staff:

**Andy Duyck** (Clean Water Services Board), **Ron Eggers** (Bureau of Reclamation), **Kevin Hanway** (City of Hillsboro), **Todd Heidgerken** (TVWD), **Mark Knudson** (Tualatin Valley Water District), **Dennis Koellermeier** (City of Tigard), **Dave Nelson** (Bureau of Reclamation), **Derek Robbins** (City of Forest Grove), and **David Winship** (City of Beaverton).

#### Clean Water Services staff:

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

#### Other agency staff/consultants:

**April Olbrich** (Tualatin River Watershed Council) and **Wally Otto** (TVID).

#### General Public:

**Doris Beman** (Gaston), **David Brown** (consultant, MWH), **Bill Freeman** (consultant), **Dan** and **Beth Irwin** (Gaston), **David Kintz** (Gaston), and **Lucille** and **John Kintz** (Gaston), **Marc San Soucie** (Beaverton), and **Bob Watkins** (Gaston).

### 1. Call to Order and Introductions

The meeting was called to order at 6:36 pm by Policy Steering Committee (PSC) Chairman Tom Brian in the conference room of the Clean Water Services Administration Building near Hillsboro. PSC members and others in attendance offered self-introductions.

## **2. Minutes of Previous Meeting**

Forrest Soth moved to approve the minutes from the last meeting, held September 27, 2007. There were no corrections noted. Motion passed.

## **3. Water Supply Project Status**

Tom VanderPlaat, Clean Water Services Water Supply Project Manager, provided an update on project costs and schedule, facility assessment, property acquisition, and the joint funding agreement.

Mr. VanderPlaat said an update of the estimated costs and schedules has been completed for components of the two Water Supply Project action scenarios under consideration, the Dam Raise Option (40-foot Scoggins Dam raise, raw water pipeline, and pump-back system) and the Multiple Source Option (25-foot dam raise, raw water pipeline, pump-back system, and drinking water pipeline from Wilsonville treatment plant). These options were presented in detail at previous PSC meetings. A multi-disciplinary consulting team including engineers, estimators, and contractors prepared the updated estimates.

Dam raise costs are now projected to be about 25% more than the first US Bureau of Reclamation estimate in 2004. Total current estimated project cost for the 40 Foot Dam Raise Option is \$428.2 million. Estimated cost for the Multiple Source Option is \$652 million, plus another \$124.7 million for expansion and deferred capital work at the Joint Water Commission drinking water treatment plant. Mr. VanderPlaat added that a title transfer (shifting ownership of the existing Tualatin Project—Scoggins Dam, Hagg Lake, and the surrounding land and facilities—from the federal Bureau of Reclamation to a local entity) could cost \$6 million to \$11.3 million, but could allow savings on the project that would more than offset the cost. It is also possible the cost of a title transfer could be negotiated to a much lower amount, adding to the savings.

Mr. VanderPlaat said the Water Supply Project schedule will continue to evolve as circumstances and information change. Design work for a dam raise could begin late this year. He noted the importance of keeping the process moving, as design work will take about three years, construction will take about five years, and the first additional water will be required by 2016.

Mr. VanderPlaat said the facility assessment—like the home inspection in a real estate transaction—is underway. He explained that a review of Scoggins Dam is required as part of both the title transfer study and the Water Supply Project Draft Planning Report/Environmental Impact Statement (PR/EIS), but such reviews are also regularly conducted by the Bureau of Reclamation, which is recognized world-wide for its Dam Safety Program. The current review includes updated earthquake hazard information. The existing dam will be evaluated against this new information and any new construction will have to meet appropriate safety criteria, which may affect the project design and cost. The assessment will include further study of the geology and soils in the area. Some engineering

revisions may be required as a result of the facility assessment. The Draft PR/EIS will need to be updated based on any engineering or other changes. The emergency preparedness plan will also need to be updated. The partners will continue to coordinate with Reclamation on all these tasks. Mr. VanderPlaat complimented Dave Nelson and Ron Eggers of Reclamation for their collaboration.

Mr. VanderPlaat reported on a recent property acquisition related to the Water Supply Project. Purchase of a 15-acre parcel in the Tanner Creek area was finalized last month by Clean Water Services on behalf of the project partners. The property would be so severely affected by either a 25-foot or a 40-foot dam raise that the landowners would have to relocate eventually anyway, so Mr. VanderPlaat felt it was prudent to work with them when they approached him about selling now instead of enduring further uncertainty. Clean Water Services purchased the land, home, and outbuildings, contracted with a relocation services consultant to assist the landowners in finding a satisfactory comparable property, and covered the family's relocation costs.

Mr. VanderPlaat also described the Joint Funding Agreement 4<sup>th</sup> Amendment. The budget for 2008-09 is \$21.6 million, a substantial increase reflecting the partners' desire to move forward on some major aspects of the Water Supply Project. Each partner will pay a share of this amount in proportion with their share of water. More than half the budgeted amount, \$11.1 million, is designated for site investigations and pre-design work. Funds are also budgeted for finalizing the EIS, securing permits and developing mitigation plans, acquiring property, completing the title transfer study, working on the Recreational Master Plan, and other legal and project management costs. A Partners Construction Agreement will also be finalized under the Joint Funding Agreement. The current Project partners are Tualatin Valley Water District, Clean Water Services, City of Hillsboro, and City of Beaverton. The agreement will include a provision for the City of Forest Grove to buy in at a later time as it currently has adequate water. The City of Tigard is still exploring several options for future water sources and provision will be made for it to buy into the agreement within the next year or so if needed. There is some short-term flexibility in the agreement but once the water allocations and expenses are more clearly defined it will be very hard to accommodate additional partners.

#### **4. Title Transfer Status**

Mr. VanderPlaat concluded his presentation with details on the status of the title transfer study. A draft Memorandum of Agreement (MOA) to investigate a title transfer has been reviewed by Reclamation and returned to the Project partners. Reclamation is conducting a title transfer policy review. The partners have approved a Governance MOA describing how a local entity could be formed to accept title and how it would function. The next step is to develop Intergovernmental Agreements (IGAs) to carry out the elements of the Governance MOA. Mr. VanderPlaat acknowledged Kevin Hanway for his work in drafting the Governance MOA and thanked him in advance for helping develop the IGAs. Another part of the title transfer study is the review of several key contracts with Tualatin Valley Irrigation District (TVID), Washington County, and Lake Oswego Corporation. Reclamation contracts

with TVID to operate the dam and TVID also has a contract to purchase water. Washington County has a contract to operate the recreational facilities and maintain the roads in the area. Lake Oswego Corporation, a private entity, has a water purchase contract. The effect of a title transfer on all these interests must be taken into account.

Mr. Soth asked about the seismic status of the present dam and how a dam addition constructed of different materials would affect the stability of the entire structure in the event of a catastrophic earthquake. Ron Eggers, Western Oregon Area Manager for Reclamation, said that is a central question in the design phase and Reclamation will be working closely with the partners, studying and modeling to determine the safest construction methods and materials for a dam raise. The PSC can expect to see many more diagrams and drawings of dams such as the one Mr. VanderPlaat shared in his presentation.

Mr. Soth also asked if the title transfer discussions are affecting the projected schedule for the Water Supply Project, and if the timeline for a title transfer would be compatible with the timeline for the Project. Mr. VanderPlaat said the title transfer study, or a title transfer itself, could delay some portions of the Project. The partners will have to weigh the need for additional water by 2016 against the financial and other risks and benefits related to title transfer. Reclamation, as the owner of the existing Tualatin Project, also has some influence on schedules. It is safe to say the Water Supply Project will not move any faster as a result of title transfer discussions.

## **5. Hagg Lake Neighbor Communications**

Jeanna Cernazanu, Clean Water Services Public Involvement Coordinator, said she and Mr. VanderPlaat have been talking mostly one-on-one with individual property owners in the Hagg Lake area, especially those who will be most affected by Water Supply Project construction. The partners are working with the relocation firm mentioned by Mr. VanderPlaat to follow the guidelines of the federal Uniform Relocation Act, which emphasizes owner preferences. Most want to stay in their homes if at all possible, but each neighbor's situation is different and will be evaluated on a case-by-case basis.

Ms. Cernazanu added that the website [www.tualatinbasinwatersupply.org](http://www.tualatinbasinwatersupply.org) has been set up specifically for the Water Supply Project. Anyone interested can use the website to get information about the project, sign up for meeting notifications or contact partner staff with questions.

Mr. VanderPlaat added that the City of Hillsboro, the Joint Water Commission, and Clean Water Services are actively pursuing permanent easements along the raw water pipeline route. They have already met with individual landowners and will host a public meeting at Dilley School in Forest Grove on Monday night to answer further questions from landowners, neighbors, and the general public.

## **6. Federal Funding Update**

Mark Jockers, Clean Water Services Government and Public Affairs Manager, reported that since the PSC last met in September, he and other Water Supply Project partner representatives have traveled twice to Washington, D.C. to talk with federal and legislative staff about the project. In November, they met with Reclamation staff, the Northwest delegation, and Congressional authorizing committees to provide an update on the project. Mr. Jockers said the people they talked to were pleased and impressed by the successful local efforts to develop a Governance MOA and move forward on other aspects of the title transfer study. Members of the group also advocated for the partners' appropriations requests of \$2.1 million for the Water Supply Project and \$500,000 for the title transfer study. They received commitments for \$246,000 for the Project and \$394,000 for the study in the 2008 budget. The second trip in March focused on the 2009 budget requests of \$1.87 million to fund 46% of the Project EIS as authorized in the original funding request several years ago, and \$106,000 to fund the balance of the title transfer study costs.

Mr. Jockers added that while in Washington, D.C. it was helpful to be able to refer to a recent unanimous resolution from the Oregon legislature in support of the concept of title transfer, introduced by Senator Brad Avakian during this year's supplemental legislative session.

Mr. Jockers also said that Senator Gordon Smith and several of his staff spent half a day in February on a site visit and meeting with Water Supply Project partners to learn more about the Project. In addition, next month staff from the offices of Senator Smith, Senator Ron Wyden, and Representative David Wu will be briefing Reclamation staff on Project status, EIS progress, and the title transfer study. They will also begin preliminary work on drafting federal legislation regarding a title transfer so it will be ready if/when needed.

Chairman Brian noted that a group from the Portland Business Alliance is making their annual visit to Washington, D.C. the first week in May. They have invited him to participate and have again included the Water Supply Project on their list of regional priorities, and will be advocating for the Project during their visit. Mr. Jockers acknowledged the Hillsboro Chamber of Commerce for leadership in presenting information about the Project in Washington, D.C. He also recalled the forum on water issues hosted by the Westside Economic Alliance in November, which attracted a large audience and resulted in the Water Supply Project being included as one of seven priorities identified by the Alliance. He cited the increasingly broad interest and support for the Project and for title transfer, including Nike, several Chambers of Commerce, Trout Unlimited, and others.

Rod Fuiten asked what issues would need to be covered in title transfer legislation, since the capacity to make a title transfer already exists. Mr. Jockers said the title transfer program was established in the 1990's and many federal projects have been transferred to local ownership. It requires an Act of Congress to transfer ownership because the federal government is the current owner. The intent or purpose of the original project must be kept intact when a title is transferred, and title can only be transferred to a current local contractor. The legislation must address these and other aspects of a title transfer, but there is no standard legislative language because the specific circumstances are different for every project.

Dan Irwin, Hagg Lake neighbor, asked if there has been any opposition at the national level. Mr. Jockers said none, and pointed out that even the Office of Management and Budget (OMB) staff, generally reluctant to “earmark” funds, has been cooperative because they see the long-term value in the federal government no longer having a financial obligation to this project and they see the strong local support that is already in place. Chairman Brian also said he knew of no opposition and echoed earlier observations that representatives of federal agencies are impressed with the high degree of collaboration and the thoroughness of the process on the local level. He mentioned that besides OMB, the Army Corps of Engineers will also have to approve a title transfer as that agency’s role would increase if title were to be transferred. Local Project representatives have met with Corps staff a couple of times and Reclamation staff has talked with Corps people to prepare for that eventuality.

Chairman Brian expressed appreciation to Clean Water Services staff for their work in building an effective regional team, preparing informational materials, and facilitating the meetings in Washington, D.C.

## **7. Public Comment**

Chairman Brian opened the meeting for public comments:

John Kintz has been pastor of Scoggins Valley Community Church for two months and to his knowledge the church has not received any information about the Water Supply Project. Ms. Cernazanu will talk with him after the meeting to be sure correct contact information is on file.

Dan Irwin asked if all parties have approved the budget for the Joint Funding Agreement, and how/when the funds would be obtained. Mr. VanderPlaat said it is still a draft, and while there have been staff discussions, it has not yet been officially adopted by the individual entities. Since 2002, each organization makes quarterly payments to a designated fund at Clean Water Services, according to that year’s budget. The partners budget for the amount that is needed for the Joint Funding Agreement, and have been anticipating these expenses and building reserves for them. If an anticipated expense does not occur—for instance, costs for the EIS have not been incurred at the time expected—Mr. VanderPlaat does not request those funds from the partners.

Beth Irwin asked if the EIS would be completed this summer. Mr. VanderPlaat said that was the original projection but it has been delayed. Mrs. Irwin asked if the decision regarding a 25-foot or a 40-foot dam raise would be made by the time the EIS is completed. Mr. VanderPlaat said the EIS will not include a decision—it is just the analysis of the three alternatives (no action, 25-foot raise, and 40-foot raise). Some of the partners may express their preferences, such as TVWD recently stating they would prefer to work with a 40-foot dam raise, but Reclamation will make the final decision after the EIS has been released.

Doris Beman stated that a neighbor had asked her to present his idea of using Wapato Lake

as an additional water supply. The lake is very large and if excavated further could store a great amount of water. Mr. VanderPlaat explained that the lake currently covers about 1,000 acres due to dike failure in December. The water is about 10 feet deep, so there is about 10,000 acre feet of water in the lake. To create enough room to store the 50,000 acre feet of water required for future demands, the lake would have to be another 40 feet deep. He added that the soils in the Wapato Lake area are very good farm land. Chairman Brian noted that an EIS for such a project would show substantially more difficult environmental and economic issues. Besides the effect on farming, the area was recently designated as a wildlife refuge unit.

Mr. Irwin asked if staff could discuss with landowners such things as alternatives to the 300-foot setback requirement, which affects his property. Mr. VanderPlaat said he is always willing to talk, and the sooner the better, but he may not be able to grant any flexibility on the setback as it is a Reclamation requirement. Unlike the recently acquired Tanner Creek property, the Irwin property and several others have the potential to remain usable with some modifications, such as raising roads, decreasing setbacks, etc. He would like to gather as much information as possible about alternatives and landowner preferences and present that to Reclamation soon so it can be considered as the Project moves along. However, it remains to be seen how much flexibility Reclamation could offer, and if the title is transferred there could be different local regulations that would apply.

There being no other comments or questions, Chairman Brian thanked all the Hagg Lake neighbors for attending. He also thanked Mr. Eggers and Mr. Nelson of the Bureau of Reclamation, noting that Reclamation staff from the local to the federal level has been great to work with despite the complexity of the Project and the title transfer discussions.

Ms. Cernazanu mentioned an excellent video, "Water for Tomorrow," produced by the City of Tigard, and wondered if there was interest in viewing it. Tom Woodruff explained the seven-minute video was offered to help Tigard residents understand the various water options being considered for the future. The video will be shown at the next meeting.

## **8. Adjournment**

Chairman Brian adjourned the meeting at 7:56 pm.

*(Meeting notes prepared by Sue Baumgartner)*