

Clean Water Services

Clean Water Advisory Commission

Meeting Notes

June 14, 2017

Attendance

All current Commission members were in attendance, including Commission Chair Tony Weller (Builder/Developer), Commission Vice Chair Mike McKillip (District 3-Rogers), Commission members Molly Brown (District 2-Malinowski), Lori Hennings (Environmental), John Jackson (Agriculture), Art Larrance (At-Large-Duyck), Judy Olsen (Agriculture), Stu Peterson (Builder/Developer), Erin Poor (District 1-Schouten), Richard Vial (District 4-Terry), David Waffle (Cities), Matt Wellner (Builder/Developer), and Kevin Wolfe (Business), and Clean Water Services District General Manager Bill Gaffi.

Attending from Clean Water Services were Jessica Bucciarelli (Senior Public Affairs Specialist), Mark Poling (Business Services Department Director), Bruce Roll (Watershed Management Department Director), and Diane Taniguchi-Dennis (Deputy General Manager).

1. Call to Order

The meeting was held in the conference/training room at Tualatin River Farm, on Minter Bridge Road near Hillsboro. The meeting was called to order by Mr. Weller at 6:28 PM.

2. Previous Meeting Notes

There were no comments regarding the Meeting Notes from February 8, 2017.

3. FY2018 Budget Committee Report

Mr. Poling acknowledged Ms. Brown, Ms. Hennings, Ms. Poor, and Mr. McKillip for being part of the Clean Water Services Budget Committee, as well as Mr. Weller, who also served as chair. Mr. Poling gave an overview of the various functions supported by the budget and reviewed the expenses and revenues that go into the budget as Clean Water Services works to become a “one water” agency (*presentation attached*).

In the early 1980’s, the job of Clean Water Services (then known as Unified Sewerage Agency, or USA) was simply to make the wastewater good enough to put back into the river. Now it is about so much more, as changing regulations inspire innovative responses and the concept of “one water” connects Clean Water Services to other agencies and partnerships to address a range of issues, such as surface water management (stormwater), resource recovery (water, nutrients, energy), flow management, water supply security, and water supply planning. Population growth, climate change and aging infrastructure will also continue to bring challenges.

Mr. Poling reviewed some of the investments in efficiencies included in past Clean Water Services budgets which benefit the current and future budgets, such as cogeneration (using restaurant grease to power generators to run treatment plants), resource recovery (removing nutrients from wastewater before it can build up as struvite in treatment plant pipes, reducing the need for expensive maintenance and replacement and preserving system capacity—and turning it into a valuable fertilizer product which brings some income back to Clean Water Services), watershed-based enhancements instead of technical approaches, and re-engineering and re-sizing. He noted that even as the area is seeing more intense storm events, infrastructure updates have already helped make the system more resilient so there is actually less flooding and other problems than in the past in many parts of the District.

Mr. Poling pointed out that compared to 20 years ago, about 30% fewer staff is doing more comprehensive wastewater treatment operations and maintenance at more facilities plus a variety of additional services to meet increasing regulatory requirements, for nearly double the population. Re-sizing was a painful but necessary process that continues to pay dividends.

Mr. Poling outlined past and projected expenses and revenues along with proposed rate increases that will be recommended to the Board of Directors. The budget for 2017-18 (FY2018) includes projected expenditures of \$174,021,746 compared to \$171,119,941 in 2016-17, and projected revenues of \$173,550,600 compared to \$161,653,100. He shared a chart showing Clean Water Services rates as the lowest of Oregon municipalities of similar size and function. Mr. Poling noted that no major debt issuance is expected in the next few years, due to past savings from re-engineering and savings of funds budgeted but not spent due to delays in the Water Supply Project. Some current bonds were recently refinanced for additional long-term savings. Clean Water Services carries a rating of AAA from S&P (Standard & Poor) and a rating of Aa1 from Moody's.

Looking ahead, Mr. Poling said that future budget projections include funds for the long-discussed Water Supply Project (increasing Hagg Lake capacity), with an estimated \$81 million in FY2020, \$120.3 million in FY2021, and \$70 million in FY2022...though he was quick to caution that these amounts and/or dates are subject to change. He also pointed out estimates for surface water management (SWM) project expenses of \$3.71 million in FY2021 and \$3.97 million in FY2022. Gradual increases in SWM fees have helped build a fund for expected SWM capital projects but it still needs to grow. It has helped that developers have built more of the infrastructure than expected in some areas, but these are still small fund amounts for a district of this size, and Clean Water Services does not issue debt for SWM capital projects. This will be a challenge in upcoming years.

Questions and comments regarding the FY2018 Budget Committee Report are included in Appendix A.

4. Tree For All: Past, Present and Future

Mr. Roll pointed out that the meeting site, Tualatin River Farm, was purchased by Clean

Water Services several years ago from Metro. The property is 62 acres, with the Tualatin River horseshoeing through about 25 acres of bottomland which has become a restoration project. Most of the 30+ acres of upper bench land is leased out for dryland farming, with the remainder of the property used for growing some of the native plants used in restoration projects. Mr. Roll described it as a “teaching farm,” which hosts conservation-focused camps and activities for kids, provides a demonstration laboratory for restoration techniques, and is also a demonstration site for use of drones in monitoring watershed locations. Mr. Roll said Commission members could use the 25 acres of restored bottomland they see at Tualatin River Farm to visualize the 25,000-acre scale of Clean Water Services restoration efforts over the past decade. During that time, the Tree for All (TFA) program has evolved as a diverse group of more than 35 public, nonprofit, and private partners sharing common goals of enhancing air, water, habitat, recreation, and the communities in the Tualatin watershed. Mr. Roll shared some of the accomplishments, challenges and future directions of the TFA program (*presentation attached*).

Mr. Roll described Clean Water Services as a catalyst agency for what has become TFA. More than 10 years ago, with federal requirements to address water temperature in the Tualatin River, Clean Water Services began an innovative planting program to provide streamside shade. The associated riparian restoration would expand the environmental benefit beyond just water temperature to include wildlife habitat, species diversity, and other enhancements to the health of the entire watershed. Those benefits could be maximized by partnering with other agencies to combine resources on compatible projects. Over time, the partners have come together under the TFA umbrella, which was initiated by Beaverton and other Clean Water Services partner cities.

Mr. Roll said the conventional watershed planning model often doesn't get beyond a couple of demonstration projects when it comes to implementation, while the TFA model seeks to weave together existing resources for the most effective/efficient environmental response. The TFA emphasizes relationships through partnerships and it appeals to the human desire to act by providing specific actions that can be taken so groups and individuals involved can see results. Another key difference between conventional planning models and the TFA approach is that there is no desire for a governance structure. The partnerships are not about who is in charge, but rather how can we all together get this done, and get it done better, faster, and cheaper. Finally, Nature is a key partner—it is easy to spend a lot of money on restoration efforts that ultimately fail, but the TFA partners try to ensure success by taking a broad look at what the watershed needs as a whole, and designing projects that allow Nature to go in the direction it needs to go.

An early success for Clean Water Services was partnering with the Tualatin Soil and Water Conservation District to revive and revamp its federal CREP (Conservation Reserve Enhancement Program) activities to help fund planting and restoration efforts on agricultural land. This initial funding got the attention of other agencies, which added their resources to the effort. One farmer signed up the first year; now there are more than 100 participating farms and more than 20 on a waiting list. Another partnership began

with Metro to identify and restore high-value ecological parcels. This effort started out with many doubts and even some conflicting objectives but has evolved into a trusted and successful relationship. Mr. Roll also cited a more recent multi-partner project with NFWS (National Fish and Wildlife Service) which began with water quality problems at Wapato Lake that affected the Tualatin River but ultimately resulted in the area becoming the nation's newest wildlife refuge. Now, several partners are working on a plan to remove Balm Grove Dam, which has been a major obstacle to fish passage on Gales Creek for more than two decades. In many other places, such an effort might take years of wrangling but the Balm Grove removal is expected next year and coho should return within two years. In the future, health care entities such as Tuality may become partners as they want to invest in the restored areas that they see as vital assets to their wellness programs.

Over the past 10-12 years, Clean Water Services has invested about \$10 million in riparian and other restoration programs. Those funds were the catalyst to involve other partners and that leverage has so far attracted \$200 million to complete more than 120 river miles of shading, gain access to 25,000 acres for other restoration work, and put 7 million plants in the ground. Clean Water Services grew the first native plants for its own restoration projects, about 30 species. Now there are eight contract nurseries growing more than 50 plant species for customers around the state, and that scale has reduced the cost per plant to about a fifth of the original cost.

Mr. Roll emphasized that no matter the scope of work or the number of partners on a given project, the key is the partnership itself and the leverage of resources. Success builds on success; it becomes almost easy to get others involved and the outcomes are far greater than any agency could produce alone. Mr. Roll shared his list of key elements for a successful landscape-scale conservation program, compiled over the past few years in response to others around the country who have asked for guidance.

All TFA partners share a long-term commitment to return riparian areas to full functionality. It will be a continuing challenge in the future to learn how to integrate numerical targets for specific water quality parameters with the actuality of what you can see and touch in a riparian area as a valid indicator of overall watershed health, and to see watershed health as the goal, not just an ancillary benefit of meeting a numerical target. Another important part of the future for TFA and watershed health is the use of technology for precise monitoring.

Mr. Roll shared two videos, one from a "critter-cam" on Fanno Creek showing the diversity of species and habitat that has returned in response to restoration efforts, and the other one describing how real-time data management innovations are helping to maximize/optimize investments in restoration through remote sensing, GIS, overlays, relational database, data entry, staff tracking, and more.

Mr. Roll also brought information packets for meeting participants; anyone who did not pick up a folder can request one from Jessica Bucciarelli.

Questions and comments regarding the Tree for All program presentation are included in Appendix B.

5. Announcements

Mr. Roll offered samples of GROW™ (a slow-release plant food produced using phosphorous recovered from the wastewater stream) to meeting participants. He said three new GROW™ products are being certified and will be on the market next year. The new formulations are for roses, vegetables/flowers, and turf/lawns.

The next meeting is scheduled for Wednesday, July 12.

6. Adjournment

The meeting was declared adjourned by Mr. Weller at 8:16 PM.

(Meeting notes prepared by Sue Baumgartner)

Appendix A
Clean Water Services Advisory Commission Meeting Notes
June 14, 2017

Questions and comments regarding FY2018 Budget Committee Report:

1. In the staffing comparison slide, it would be good to note not only the decrease in FTE over time, but also note the years when major new work was added, such as stormwater management and the watershed-based integrated management approach, even as staff was shrinking.
2. What is the current population being served?
 - 2.1. The population has increased to about 580,000.
3. Is there a projection for the employee/resident ratio in the future?
 - 3.1. We will continue to look for operational efficiencies; staffing changes will depend somewhat on upcoming regulatory changes.
4. The revenue and expenditure slides should be clear that revenue from SDCs (System Development Charges) is applied toward CIPs (Capital Improvement Projects), not Operations costs.
 - 4.1. That is true—SDCs are not applied to Operations expenses. Expenditures for CIPs are much larger than revenue from SDCs, but SDC revenue can also be applied to eligible debt.
5. Who sets the SDCs?
 - 5.1. Clean Water Services, through the Budget Committee.
6. Right now there is a development boom which is putting money into the coffers, but how will Clean Water Services account for slower growth when today's pace slows again, as it did in 2007?
 - 6.1. In general, we build/pay as we go, so a slower pace of development would mean a slower pace and lower expenses for CIPs.
 - 6.2. Some capacity is being added during the current boom, with an upcoming project at the Durham Advanced Wastewater Treatment Facility to bring on the first additional process train in more than 20 years. It has not even been needed until now, because of various efforts to optimize use of existing facilities.
7. Will Rock Creek and Durham eventually get to the point where they will simply need more space?
 - 7.1. Yes, but by that time more flow will be going through Fernhill's NTS (Natural Treatment System) facility. There may even be an opportunity for a similar NTS facility at Jackson Bottom.
 - 7.2. By the time Rock Creek or Durham would be outgrown, there may well be different approaches in use, such as more satellite treatment or more emphasis on

- reuse or even smaller-footprint treatment technologies.
- 7.3. For now, any new industrial development could be routed from Rock Creek and accommodated by the excess capacity at Forest Grove and Hillsboro, possibly even by satellite treatment facilities.
 8. Is Clean Water Services talking to Sherwood and similar fast-growing areas that are now butting up against each other about how they might manage flow direction?
 - 8.1. We have talked with Sherwood and Wilsonville, and have had lots of interaction with Portland.
 - 8.2. Portions of the Tualatin/Wilsonville expansion interface want to go toward Wilsonville even though by policy they would be part of Clean Water Services.
 - 8.2.1. Wilsonville is not within Clean Water Services District boundaries; they are an independent entity so a partnership agreement would be needed.
 9. It is impressive how much progress Clean Water Services has made. There are many jurisdictions that are in very different financial circumstances.

Appendix B

Clean Water Services Advisory Commission Meeting Notes June 14, 2017

Questions and Comments regarding Tree for All Program presentation:

1. Are you decreasing the number of ash trees you are growing/planting because of the emerging problems with the Emerald Ash Borer?
 - 1.1. We aren't actually doing a lot of ash; they propagate themselves so easily. But we will likely see a lot of ash trees decimated by the borer, which is another good reason for planting diverse species.
2. How or why would health organizations invest in riparian restoration?
 - 2.1. This is in the very beginning stages, but the health industry would rather invest in health and wellness throughout life to reduce expenses for later-life care issues. Health care providers have to figure out ways to get people out to healthy areas doing healthy activities for mental and physical wellness. If we create good models, the health industry will invest heavily in restoration and in places like Fernhill. Those types of areas will be seen not just as wastewater or recreation but also as part of overall community wellness.
3. How many miles of restoration can be attributed to development—for instance, if I have a resource corridor on my property I have to do enhancement of the vegetated corridor.
 - 3.1. It is a relatively small percentage; staff will follow up to provide the exact number.
4. While it may not have a specific logo or name, and it may be a small part of the total, but the development community should be considered to be a TFA partner and somehow acknowledged with other partners.
 - 4.1. Some of those activities/contributions are required by regulations and we can't "claim" them, but it is still a significant contribution and we will follow up on that idea.
5. Please be encouraged to come up with ways to make it easier for developers to do fee-in-lieu so treatment facilities can go where they are actually needed and can have the greatest impact instead of requiring them to be placed on high-value development land.
6. When you are talking about "river miles," what is the size of the stream(s) involved, and does the width of the linear area increase/decrease depending on the size of the stream?
 - 6.1. About 80% is tributaries of the Tualatin River; those are the highest-value streams for shade plantings.

- 6.2. Buffer width varies; we are most interested in the first 70 feet from the stream because our goal is shade. If it's an ECREP project we can go up to 135 feet if we have the funding, and with some farms you might start with 30 feet. It depends on what we want to achieve ecologically.
7. Clean Water Services and partners should make more mention of the point that they are creating "wildlife highways." Because streams are linear, when you do restoration work alongside you create incredible wildlife corridors that allow all kinds of creatures to move in response to weather/climate or other changes.
8. Are there other tributaries besides Gales Creek that you could work on?
- 8.1. Gales is very high-value, but others such as McKay and Dairy are also valuable.
9. What percentage of the total restoration in the watershed is within the urban growth boundary (UGB)?
- 9.1. Ten years ago it was about half; now it is about 40%. There have been some big projects on Bronson and Fanno creeks that affect those percentages.
10. Would encourage pursuing the potential for partnerships with developers that would weave together a variety of parcels into corridors. There are lots of isolated small parcels and Clean Water Services can identify the highest priority areas and then partner with the development or even industrial communities to fund the work that fills those gaps in the corridor(s). Most developers would see that as a practical approach that they could feel good about supporting. Clean Water Services could provide the maintenance piece that they could not. North Bethany is a perfect example of that and there has been success there.
11. What type of farmer is motivated to participate in this program (ECREP)?
- 11.1. It depends on the location and type of land use. If it's near a stream, it might be steep and hard to farm and difficult to get anything productive out of it but even though it's marginal as farmland it gets cropped because it's there and also just to keep it from running to non-native species. Planting trees shades out those undesirable plants, which keeps them out of the rest of the farm, too.
- 11.2. Farming near a stream has a tendency to creep closer and closer to the water; planting trees keeps cultivation away from streambanks.
- 11.3. Also, farmers can use the funds they receive from their participation in ECREP as the means to reach other farm goals that may also promote conservation.
12. Who built the data tracking system?
- 12.1. It has also been a partnership. Metro began developing it to meet some of their needs tied to the properties they had purchased. There were obvious benefits to having a single system for project partners. Clean Water

Services added modules for regulatory compliance and other functions.

13. How many staff hours are required to manage the data tracking system?

13.1. Actually very few; there is certainly investment involved... but it will pay for itself. It can save \$150,000 per year just by streamlining restoration contractor invoices and payments. We have invested in good GIS database people who understand restoration and how the system needs to work to support it.