

SCAPPOOSE DRAINAGE IMPROVEMENT COMPANY (SDIC) ANNUAL REPORT TO LANDOWNERS - JUNE 2022

New flood mapping required by the federal government shows more acreage within the SDIC boundary flooded in a 100-year storm event than does the current flood map. This is explained further under “Levee Accreditation.” Current draft flood maps are available at www.scappoosedrainage.org.

Overview Of The SDIC

The SDIC boundary is drawn around roughly 5,700 acres, 32 feet above sea level or lower, located close enough to the 11-mile-long Multnomah Channel levee to be protected by the levee. The approximately 900 owners of land within the boundary are members of the SDIC. The SDIC performs multiple functions benefiting lands located within its basin. The SDIC – 1) limits “interior flooding” within the basin through moving water from rain, surface runoff and groundwater through waterways and pumping stations to the Multnomah Channel, 2) stops “river flooding” with the levee, 3) maintains the levee consistent with federal rules, and 4) is responsible for obtaining federal “accreditation” that the levee is sound.

The SDIC is funded through an annual assessment of its landowners collected by the County. The SDIC is governed by a Board of Directors (Board) consisting of five elected SDIC landowners who volunteer for staggered three-year terms. The Board includes Amanda Hoyt (Treasurer), Karen Kessi (Director), Jeff Mapes (President), Len Waggoner (Director) and Gary Wheeler (Vice President). Terms for Jeff Mapes and Gary Wheeler are ending and nominations for those positions will be solicited from the floor at the annual meeting. The SDIC has four part-time employees – Chase Christensen (General Manager), JR Shadley (Field Technician), Laurie Mapes (Special Projects) and Janell Greisen (Office Administrator).

Additional information on the topics covered in this annual report is available on our website at www.scappoosedrainage.org. If there is not a specific link to the topic you seek, then please review meeting minutes since the topics in this report are reviewed each meeting.

Levee Accreditation

The Multnomah Channel levee is an earthen embankment constructed in the early 1900’s. SDIC, as sponsor of the levee, has pursued “accreditation” of the levee for well over ten years at a cost of hundreds of thousands of dollars. Accreditation is a federal review process to assure minimum design, operation, and maintenance standards. Without accreditation of the levee, land within the SDIC loses eligibility for various federal programs such as the National Flood Insurance Program or disaster assistance from the US Army Corps of Engineers (USACE) and the Federal Emergency Management Agency (FEMA). The SDIC levee and drainage system are currently in “provisionally accredited” status. FEMA has not identified how long this provisional status will continue while the SDIC pursues full accreditation.

The USACE and FEMA required the SDIC to perform (and pay for) numerous studies as part of the accreditation process. Initially, the SDIC had to purchase an interior drainage analysis to determine how the land in the SDIC basin would drain during a 100-year storm event. Then a draft flood map had to be created using data from the interior drainage analysis. At the time (late 2016) these actions appeared to end the required studies. However, because the SDIC is the only federally authorized levee system in the

US with a gravel mine within its boundary the USACE desired a seepage study to determine if during a 100-year storm event the river might push (seep) through underground aquifers into the SDIC basin through the mine. The seepage study had to be incorporated into new draft flood mapping. The SDIC hired highly credentialed and experienced professionals for each of the studies and maps required by the federal government.

Unfortunately, as explained in the February 2017 SDIC annual statement (soon after the first draft maps) new flood maps show more acreage within the SDIC boundary flooding during a 100-year storm event than shown on the current 2010 flood map. Maps are available at www.scappoosedrainage.org.

The final step in levee accreditation is that the SDIC must file a Letter of Map Revision (LOMR) with FEMA to update flood maps in the SDIC boundary. The LOMR application must be accompanied by flood mapping information which can only come from “map holders.” The City of Scappoose and Columbia County are the map holders for land in the SDIC boundary. The SDIC provided the latest draft mapping to the City and County in October 2020. Once the map holders are ready to provide flood mapping information to FEMA, then affected properties will receive formal notice and the City, County, SDIC and mapping engineers will hold a community open house explaining the flood maps and ramifications of new mapping on development and other matters.

In sum –

- the levee is provisionally accredited and SDIC landowners have eligibility for federal programs available to properties protected by an accredited levee
- FEMA has not identified how long provisional accreditation will continue
- full levee accreditation requires a LOMR
- the LOMR is awaiting action by the local flood map holders
- formal notice to affected landowners and public meetings will occur later
- draft flood mapping shows additional land within the SDIC boundary will flood in a 100-year event.

Gravel Mining/408's

The USACE requires the SDIC to enforce rules which limit construction, planting, utility work, alteration, or other activities near the levee. Certain projects require the proponent to apply for a USACE 408 permit. On projects needing a 408 permit, and because of the potential impact on the SDIC’s flood protection and drainage responsibilities, the USACE requires the SDIC to provide a “letter of no objection” (LONO) before a project can proceed. Inside the SDIC boundary there are plans for a new gravel mine, and expansion of an existing mine. One requires a 408 permit, and the other may.

Cadman Materials filed a 408 application for a new gravel mine and loadout facility over the levee. The SDIC and Cadman entered an agreement through which Cadman will reimburse the SDIC up to \$50,000 for expenses associated with our participation in the 408. The SDIC retained Cornforth Consultants, Inc., a 30-person geotechnical engineering firm located in Portland, to assist our participation. Cornforth associated WEST Consultants to assist in hydrology matters.

Northwest Aggregates Co. (CalPortland) is planning expansion of current mining operations within the SDIC boundary. Last year's annual report reviewed that the USACE indicated this expansion required a 408 permit. However, currently the USACE and CalPortland are in a 'pre-408' process to determine whether a 408 permit will be required. The USACE sent the SDIC CalPortland's plans for our review and the board is considering hiring professional help.

In reviewing these and any other projects, the SDIC board strives to protect interests common to all landowners – 1) preserve the integrity of the levee and the SDIC's ability to maintain it; 2) prevent additional land becoming mapped as inundated in a 100-year storm event; and 3) protect SDIC ditches and pumping infrastructure, including from additional water and the responsibility to move it.

Financial

The board adopts an annual budget document in June or July. Each month the board posts on our website a year-to-date review of the annual budget, as well as other financial reports documenting expenditures and other actions. SDIC's primary income is the annual landowner assessment collected by the County with November property taxes. The assessment has held steady the last few years at \$350,000. The assessment deposits directly from the County into a state-administered "local government investment pool." The board authorizes monthly withdrawals to cover expenses. Current cash is \$388,281.74 (6/1/22).

Many of the SDIC's largest expenses are relatively predictable such as electricity (budgeted at \$90,000 last year), payroll (\$67,000) and payments towards loans incurred for accreditation (balance of \$182,411.78). In contrast, the SDIC often faces significant unplanned expenses. Last year's annual report reviewed an unexpected expense of \$224,576 to rebuild the Smith pumphouse after it washed out. This year the Evans #2 pump exhibited problems, had to be extracted by crane and required a major repair of approximately \$50,000. Once exposed, the damage our manager observed on Evans #2 led him to "dewater" the remaining three Evans pumps (1, 3, and 4) for visual inspection of propeller housings and cavitation umbrellas which are normally submerged. Chase's inspection revealed significant damage. Given that Evans is the main SDIC pumping station, upon learning of the damage the board directed our manager to give these repairs the highest priority. The pumps will be an expensive fix requiring removal and installation by crane and are so old that parts may have to be specially milled. The board wishes to publicly acknowledge and thank our manager Chase Christensen for showing the initiative to dewater and visually inspect these pumps.

It is instructive to compare the SDIC budget with the Multnomah County Drainage District (MCDD) as both entities provide the same services as outlined in the "Overview" section (although MCDD is slightly larger in geographical area and protects more economic infrastructure). Our annual assessment is \$350,000 and our personnel costs \$67,000. The MCDD's annual budget is nearly \$13.5 million with annual personnel costs budgeted in excess of \$5.5 million.

Given the ever-increasing responsibilities placed on the SDIC by federal agencies and our own landowners, plus inflation, it is doubtful our assessment can continue to hold steady. While we have an exceptionally good staff, our employees combine to about one FTE (full time employee). Considerable and time-consuming duties must be performed by SDIC's volunteer directors. The number of SDIC issues which need near immediate attention result in difficulty addressing more global needs such as long-range planning and implementing suggestions in the SDAO Organizational Assessment discussed below.

While none of us want to pay more in assessment dollars or have the SDIC grow larger than what is necessary, it may be that using consultants, as opposed to hiring additional employees, will provide an efficient means to meet the SDIC's needs.

Legal

The SDIC incurred considerably higher legal expenses this past year for multiple reasons. We had unexpected legal expenses associated with fulfilling a public records request, and in successfully defending an ethics complaint challenging the board's consideration of employing a former board member to help with SDIC's heavy workload. Finally, our attorney (who represents numerous public entities) now attends our meetings.

Rental House

The SDIC owns a house and small office building located at our main Evans pump station (53466 E. Honeyman Road) where our full-time manager historically lived. Our current employee structure resulted in the house becoming unoccupied and the board decided to rent the home (net annual income of \$19,444). The board uses Projection Realty as property manager, has had continuous occupancy with only one tenant in the last year, and recently offered our tenant an annual lease.

Best Practices

The board continues progress on the recommendations listed in a November 2020 Organizational Assessment it solicited from the Special Districts Association of Oregon (SDAO). The board adopted three policies drafted with SDAO's guidance to assure it is managing SDIC's affairs consistent with SDAO recommended practices, Oregon law and the SDIC bylaws - two concerning employee relations (performance evaluation; compensation adjustment) and one for financial management.

The SDIC moved our website to a highly recommended entity which hosts hundreds of websites for special districts in multiple states. We have additional storage available and are uploading information as we can. This host assures our site complies with best practices applicable to public bodies.

City Storm Water

The City of Scappoose is updating its Storm Water Master Plan. The SDIC requested and is promised involvement in the planning process. SDIC transports storm water through our infrastructure of waterways and pumps from the City to the Multnomah Channel at SDIC expense. No matter the source, the SDIC hopes to avoid receiving additional water, or to receive water faster, than natural drainage.

How To Attend SDIC Meetings/Contact the Board

The SDIC board of directors holds business meetings generally on the second Thursday of each month at 6:00 p.m. Meetings are virtual with a "zoom" invitation available at www.scappoosrainage.org.

The website also provides contact information for presenting a question or comment whenever you desire.

The SDIC annual meeting is June 27 at 7 p.m. at the Scappoose City Council Chambers. If you received this, then you have an interest in the SDIC and are encouraged to attend! Thank you.