

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Staff Presentation Worksheet

Presentation Date: 9/15/2015 Approximate Start Time: 2:30 Approximate Length: 1:00

Presentation Title: Tri-City Service District and Clackamas County Service District
No. 1 Advisory Committee Make-up

Department: Water Environment Services
Presenters: Greg Geist & Amanda Keller

REQUESTED BOARD ACTION:

Consider and discuss the request from the Riverhealth Advisory Board and the City of West Linn's feedback regarding wastewater advisory committee composition.

EXECUTIVE SUMMARY:

On July 30, 2015, the Regional Wastewater Treatment Capacity Advisory Committee held a discussion on governance. WES staff provided a white paper on challenges under the current model. During the meeting, some members of the committee suggested that a new advisory committee makeup that represented the interests of both the Tri-City Service District and Clackamas County Service District No. 1 would be the best path forward for the capital co-investments located at the Tri-City Water Pollution Control Plant. This topic was subsequently raised, deliberated, and voted upon at a Riverhealth Advisory Board meeting. Attached is a letter from the Riverhealth Committee to the BCC.

At the request of the Tri-City Advisory Committee, on August 17, 2015, the Board of County Commissioners discussed revising the bylaws of the Tri-City Advisory Committee and made a formal recommendation on its make-up. The recommendation has since been distributed to representatives from both the Tri-City Service District and Clackamas County Service District No. 1. Part of the Riverhealth discussion and proposal included a request to the BCC to hold off on implementing any changes to the Tri-City Advisory Committee until such time as all parties have also had an opportunity to consider the Riverhealth proposal.

Staff recently had conversation with Clean Water Services, WES' counterpart agency in Washington County, about how they manage advisory committee input. Attached is a graphic showing their advisory committee structures.

FINANCIAL IMPLICATIONS:

None

LEGAL/POLICY REQUIREMENTS:

None

PUBLIC/GOVERNMENTAL PARTICIPATION:

None

OPTIONS:

- 1) Leave all advisory committees as-is and cease consideration of changes.
- 2) Consider changes to the Tri-City Advisory Committee alone, based on prior discussions and feedback from city stakeholders.
- 3) Postpone a decision on changes until all stakeholder parties have had an opportunity to consider the Riverhealth proposal.
- 4) Implement the Riverhealth proposal.

RECOMMENDATIONS

- 1) District staff respectfully recommends option #3, that the Board postpone a decision on changes until all stakeholder parties have had an opportunity to consider the Riverhealth proposal.

ATTACHMENTS:

1. 09-08-2015 Riverhealth Advisory Board Letter to the Board of County Commissioners
2. Clean Water Services Organizational Chart

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

<p>For information on this issue or copies of attachments, please contact Matt Glazewski @ 503-742-4566</p>

TO: Honorable John Ludlow, County Chair
Commissioner Paul Savas
Commissioner Martha Schrader
Commissioner Tootie Smith
Commissioner Jim Bernard

From: RiverHealth Advisory Board

The RiverHealth Advisory Board (RHAB), representing the ratepayers in North Clackamas County Service District Number 1 (CCSD #1), including the cities of Milwaukie and Happy Valley, have findings and recommendations that we submit for consideration by the Board of County Commissioners.

CCSD#1 and Tri-Cities, as members of the Regional Wastewater Capacity Advisory Committee (Committee), have a demonstrated track record of success in working together cooperatively to solve significant wastewater treatment issues. As part of a regional treatment strategy, the Committee approved, and CCSD#1 ratepayers funded, the membrane bioreactor at the Tri-City Wastewater Treatment Plant (Plant) in Oregon City. The bioreactor treats wastewater from CCSD#1 and Oregon City, Gladstone, and West Linn (the Tri-Cities). It provides expandable liquids handling capacity for both districts while producing Class A effluent that is blended with effluent from the Plant, allowing it to operate within current water quality requirements for ammonia. The Plant also treats biosolids from both the bioreactor and the regular treatment process. As a result, both districts now have an extensive portfolio of high quality conveyance and wastewater treatment assets that are currently operated as a single regional treatment system by WES. The impetus for this memorandum is the significant shared co-investment at the Plant and the uncertainty and financial risk to our ratepayers.

The RiverHealth Advisory Board finds the following:

The Board of County Commissioners (BCC), as the governing Board of Directors of both service districts, and acting through WES as the operator of both the Kellogg and Tri-City Plants, has met and/or exceeded its clean water regulatory obligations to ratepayers, the Oregon Department of Environmental Quality, and the Environmental Protection Agency Region 10. Discharge monitoring reports at the Plant have complied with all laws and regulations, and incidents that could pose a risk to public health have been eliminated with the addition of CCSD #1's bioreactor.

To preclude a building moratorium and avoid future permit violations, the WES director has reported to each district and to the Regional Wastewater Capacity Advisory Committee (Committee) a need to add additional digester capacity at the Tri-City Plant within the next four years. The RHAB has confidence in the WES Director and staff's assessment that the solids treatment capacity of the Tri-City Plant is at or near capacity - even without the biosolids from the bioreactor (which has prompted the conversation at the Committee level). To date, Committee conversations have not resulted in a clear path forward for WES's role in treating regional needs while protecting human health and the integrity of our watersheds. The current uncertainty gives the RHAB considerable pause for additional investments by CCSD#1 in the

Plant. Despite recent political changes, the ratepayers of both districts need certainty in continued operations when investing in wastewater treatment facilities of substantial cost. A decision on construction is needed by the Committee by the end of November and failing that, the Board of County Commissioners by the close of 2015. This memorandum therefore addresses the co-investment uncertainty and financial risk to our ratepayers that remains. It is in the immediate fiscal interest of the ratepayers of both CCSD#1 and Tri-Cities Service District (TCSD) to proceed with the design and construction of additional digester capacity at the Plant as soon as possible. Delays can only increase construction costs and the risk of failure and regulatory fines of the Plant to maintain service integrity.

It is in the immediate fiscal interest of the ratepayers of CCSD#1 and Tri-Cities Service District (TCSD) to proceed with the design and construction of additional digester capacity at the Plant as soon as possible. Delays can only increase construction costs and the risk of failure and regulatory fines of the Plant to maintain service integrity.

THEREFORE, the River Health Advisory Board recommends that the Board of County Commissioners:

- Authorize WES to proceed with increasing the solids handling capacity of the Tri-City plant in a timely fashion;
- Merge the two existing district advisory boards into a single Regional Wastewater Advisory Board as the sole advisory board for both Districts to the Board of County Commissioners, and thereby reduce redundancy and overhead costs to ratepayers incurred by WES in serving interconnected, but administratively separate, boards;
- Retain the portion of the RiverHealth Advisory Board for surface water issues in CCSD#1;
- Empower the membership of the current Regional Wastewater Capacity Advisory Committee to serve as the new Regional Wastewater Advisory Board; and
- Continue to act as the governing Board of Directors. The RHAB recognizes the on-going discussions of governance by the Committee and that the new Regional Wastewater Advisory Board will address these issues.

The Board recommends that the existing bylaws of the Regional Wastewater Capacity Advisory Committee be retained and amended as necessary to reflect the changes recommended above. It is our hope that the new Regional Wastewater Advisory Board will continue to forge new ways to reduce costs to our ratepayers, including but not limited to formally merging the two service districts into a single district to take advantage of the numerous regulatory and financial advantages of scale that are currently employed by representatives of ratepayers in comparably sized districts in Oregon and the Pacific Northwest.

(This is followed by signatures from all RHAB members.)

Working Draft – Bylaw and Regional Wastewater Advisory Board Suggestions

- Confirm WES estimates for digester needs and costs at the Tri-City Plant
- Decide on the manner and timing of expansions and/or renovations at each wastewater treatment plant consistent with a regional approach to managing and operating the two treatment plants
- Determine the type and method of financing any new capital expansions including the formula for cost sharing by members
- Determine the wholesale rates to be paid by each member of the new Board that reflects a fair and equitable sharing of capital construction, debt service, and operating costs to all ratepayers in each district
- Identify and quantify any savings to ratepayers from consolidating or merging the two districts

