

Scappoose Drainage Improvement Company (SDIC) Annual Report to Landowners – 6/27/2022 – 2/13/23

Our Purpose: As stated in our articles of incorporation, the SDIC exists to provide flood control, drainage and irrigation water as permitted by corporation regulations for particular lands.

SDIC Overview: 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. Primary functions of the SDIC include responsibility for:

- Draining the lands within the footprint of the SDIC by transporting stormwater and groundwater efficiently through waterways and pumping stations to the Multnomah Channel.
- Maintaining the levee system consistent with federal regulations to provide flood protection to interior lands within SDIC.

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 current Board includes Len Waggoner (Director), Gary Wheeler (Director), Amanda Hoyt (Treasurer), Karen Kessi (Vice President) and Robert Hostettler (President). Terms for Len Waggoner and Karen Kessi are ending and nominations for those positions will be solicited from the floor at the annual meeting. The SDIC currently has two part-time employees – Chase Christensen (General Manager) and JR Shadley (Field Operations Technician) as well as one part-time contractor, Janell Greisen (Office Administrator).

Additional information on the topics covered in this annual report, as well as other SDIC-related resources, can be accessed on our website at www.scapposedrainage.org.

Levee Accreditation: The Multnomah Channel levee is an earthen embankment constructed in the early 1900's. SDIC, as sponsor of the levee, has been pursuing full accreditation for the levee for well over ten years at a substantial cost. Accreditation is a federal review process to assure minimum design, operation, and maintenance standards are met. The levee is currently operating under a provisional accreditation status. The final step in the accreditation process is the Interior Drainage Analysis portion (IDA) which is currently underway. The SDIC Board is actively participating with the City of Scappoose and Columbia County as they work towards updating the Flood Insurance Rate Map as required by FEMA. The SDIC is committed to keeping landowners informed throughout this process.

408 Permit Review: Per the USACE website, a section 408 review “requires a determination that the requested alteration is not injurious to the public interest and will not impair the usefulness of the project. This means USACE has the authority to review, evaluate, and approve all alterations to federally authorized civil works projects to make sure they are not harmful to the public and still meet the projects intended purposes mandated by congressional authorization.” Depending on the scope of the project, USACE requires the SDIC to provide a “letter of no objection” (LONO) either at the beginning or end of this review process.

This past August, NW Aggregates received a section 408 Alteration Determination letter from USACE with regards to their Bate's/Roth expansion project. The USACE determined the proposed project will not impact or alter a federal levee system and will not require permission from the USACE under Section 408.

Cadman Materials was granted a LONO for a single phase 408 after submitting their 30% design package in May of 2022 to perform exploratory drilling throughout the Ellis Farm.

Financial: The board adopted an annual budget in June of 2022. SDIC's primary income source 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 and remained the same for 2022. The assessment deposits directly from the County into a state-administered "local government investment pool." The board authorizes monthly withdraws to cover expenses. Current cash is \$529,835 (1/8/23). Many of the SDIC's largest expenses are relatively predictable such as electricity (budgeted at \$90,000 last year), payroll (budgeted at \$72,000) and payments towards loans incurred for accreditation (balance of \$146,524). The past few years the SDIC has faced significant unplanned expenses. In 2021 we incurred at \$225K cost to rebuild the Smith Pump station, Last year the Evans #1 pump exhibited problems, had to be extracted by crane and required a major repair at a cost of approximately \$50,000. However, with a renewed focus on financial and operational planning, the SDIC Board has begun the process of drafting, adopting, and installing a long-range plan which is intended to lead to more consistent, predictive spending, creative cost sharing options, and an overall more efficient pumping and water conveyance infrastructure.

Legal: The SDIC is currently dealing with higher-than-expected legal expenses associated with a subpoena to provide relative documents as part of a private lawsuit, and other matters. The SDIC is not a party to this case. Our attorney Jeff Condit continues to attend regular board meetings to help ensure proper public meeting procedures are practiced and to provide counsel as needed.

Rental House: The SDIC owns a house and small office building located at our main Evans pump station (53466 E. Honeyman Road). Last year the Board chose to rent the home (net annual income of \$22,140). The board utilizes a property management company and has had continuous occupancy in the unit. The Board recently renewed an annual lease with our tenant.

Best Practices: The Board continues progress on the recommendations listed in the Organizational Assessment prepared by Special Districts Association of Oregon (SDAO). In November, The Board participated in a work session with SDAO where we successfully completed a SWOT analysis - the first phase in our long range-planning process. By soliciting and receiving feedback directly from landowners, we were able to identify many of our strengths, weaknesses, opportunities, and threats (SWOT), thus providing the necessary framework to move forward in the planning process. The next step is to solicit and compile more feedback from landowners and to assign priorities to our goals. Landowner involvement and feedback is critical to this phase of the process, and we encourage everyone to visit our website where you can explore the strategic planning page which will provide insight to the SWOT analysis as well as a guidance on the multiple ways to provide feedback to the Board. With priorities established we hope to create a path towards improving the SDIC critical infrastructure, organization, and operations.

The SDIC continues to operate our website with a third-party entity which hosts hundreds of websites for special districts in multiple states. With increased storage capacities we have been able to upload more information, including meeting minutes, financial reports, and most recently audio meeting recordings.

City Storm Water: The City of Scappoose continues its process of updating its Storm Water Master Plan. The City received its draft of the storm water master plan from their consultants shortly before Christmas, they are completing some internal follow up questions and plan to have an initial review during a public meeting in February. The SDIC is currently working with the City to obtain a draft for review and is committed to staying engaged with the City throughout this process.

How to Participate: The SDIC board of directors holds business meetings generally on the second Thursday of each month at 6:00 p.m. Meetings are currently virtual with a "zoom" invitation available at www.scappoose Drainage.org. The website also provides contact information for presenting a question or comment whenever you desire.

The SDIC annual meeting is February 13th at 6:00 p.m. at the Scappoose City Council Chambers. If you received this, then you have a reason to be interested in the SDIC and are encouraged to attend. Thank you!