

# Urban Flood Safety & Water Quality District 2021-22 Public Hearing Minutes

Thursday, June 3, 2021

3:00 pm

1880 NE Elrod Drive  
Portland, Oregon  
Via Zoom Meeting

**Present:**

**TSCC:**

Chair David Barringer, Vice-Chair James Ofsink, Commissioner Margo Norton, Commissioner Mark Wubbold, Commissioner Harmony Quiroz, Executive Director Craig Gibbons and Budget Analyst Tunie Betschart.

**Absent:** None

**UFSWQD:**

Board Members: Chair Mike Jordan, Vice-Chair Steve Fancher Shirley Craddick, Corky Collier, Tanney Staffenson, James Allison, Dave Ripma, Erik Molander, Shirley Craddick, Maryhelen Kincaid, Johnell Bell, Erich Mueller

UFSWQD staff: Executive Director Peggidy Yates, Incoming Executive Director Jim Middaugh, Legal Counsel Hong Huynh, Associate District Council Kelly Sherbo, Budget Officer Casey Short, Policy & Administrative Manager at MCDD Emily Robertson, Public Affairs Communication Manager for MCDD and Board Coordination Kristen Hull.

Chair David Barringer opened the public hearing to consider the Urban Flood Safety and Water Quality District's 2021-22 Approved Budget. He asked the Commissioners and staff to introduce themselves. He asked if any of the commissioners had business relationships with the District that could be perceived as a conflict of interest. None of them had a conflict of interest. Following TSCC commissioners and staff introductions, the Urban Flood Safety & Water Quality District board introduced themselves.

Ms. Peggidy Yates addressed the hearing, saying the budget committee approved the budget on April 19. She recognized the budget committee chair, Tanney Staffenson, for his work on the budget committee. Ms. Yates thanked the Board Chair Mike Jordan and Vice-Chair Steve Fancher, and the board members present for being present to support the District's budget and answer questions for the TSCC Commissioners. She noted that she and Budget Officer Casey Short would be retiring this year and this would be their last budget hearing with TSCC. Ms. Yates thanked TSCC Commissioners and Staff for all their help during the past couple years. She recognized the new CFO, Nick Hogan.

She then asked incoming Executive Director Jim Middaugh to give a brief overview of the budget.

Mr. Jim Middaugh gave an overview of the budget, saying the Approved budget is a big step forward for the District. FY2021 is focused on building a foundation for the new government structure. That included familiarizing the 17 member board with the complexity of the District. It involved establishing a Mission, Vision, and Values committee to give grounding and direction; and a Revenue Analysis and Funding Plan Committee to establish a new rate and capital bond. FY22 represents a robust budget compared to the previous year. This budget will increase spending from \$162,832 to \$1,130,832 and includes a maximum \$6 million line of credit. The budget consists of two key programs, a finance program, and an administration program. He gave a synopsis of what this would cover. The financial policies are anticipated to take place on June 21. These policies will provide a foundation for financial forecasting, performance measurements, and monitoring within the new District.

TSCC's questions followed the overview of the budget.

### **TSCC Questions:**

#### **Chair Barringer asked the following question:**

The District has been operating for a year now. Would you like to tell us about any accomplishments to date that were not included in the introduction to this year's budget?

Mr. Jordan answered, saying this is a 17 member appointed board from 12 different agencies and five members appointed by the Governor that came together for the first time in May of last year and passed their first budget. This Board has never met in person.

He mentioned the accomplishments:

- Adopted bylaws
- Adopted critical administrative and financial functions such as filing a tax ID, selecting a registered agent, entering into a service agreement with the Joint Contracting Authority, designating financial authority, approving Public Contracting Review Board rules, establishing the financial data system to align with public budget law, approving the FY22 budget, incorporating an anti-harassment policy
- Established Board committees to recruit a new Executive Director, develop the District's Mission Vision Values, and address the Revenue Analysis and Financing Plan

He said this was done without dedicated staff. He thanked MCDD for their support, saying without their help, the District would not have gotten off the ground.

To have the 17 member board do all this and receive all briefings necessary to get up to speed on various tracks of work is impressive. He concluded by saying when House Speaker Tina Kotek was apprised of the District's accomplishments, she was amazed that the group could make the progress they had in such a challenging year.

#### **Commissioner Wubbold asked the following questions:**

Has the pandemic changed your timeline?

Mr. Eric Molander responded, saying they have fought through the impact of Covid. Fortunately, staff was already leveraging technology to keep the four existing drainage district boards engaged. They applied the same principles for the seventeen-member

district board, including developing comprehensive information packets for Board members in advance of the monthly meeting to support effective ZOOM meeting discussions. It was a challenge to relay to Board members the vastness and complexity of the flood safety system virtually. Before Covid, a boat and or vehicle tour provided a clearer understanding of the system's intricacies. This was not possible for this group.

Virtual meetings also made it challenging for the seventeen-member Board to develop as a cohesive group and build on the common purpose. Over the last year, the Board effectively overcame the challenge and, as outlined in the previous response, does not anticipate Covid resulting in a delay of the permanent board. The Board and staff continue to seamlessly work remotely in support of the initial board's objectives.

**Commissioner Quiroz asked the following questions:**

Can you tell us more about the FY22 work plan for the District? You will have a budget of over a million dollars; what do you expect to accomplish next year? Are there any "must-do" items on your work plan?

Mr. Jordan fielded these questions saying the FY22 Work Plan focuses on the purpose outlined in ORS 550.190(2), which is "the initial district board is to organize the district and develop, and approve or seek approval from the electors, of methods of funding the operations of the district." This is where the focus will be. The District still has some issues to stay on top of and work to keep up with, such as:

- Legal issues
- Technical issues,
- Feasibility study
- Levee Ready Columbia's work;
- IGA Group and the Certification of projects for FEMA certification
- Legislature and local governments
- Federal delegation
- Infrastructure

The real issue for the initial board is to fulfill the statute to get the permanent board in place and putting a stable revenue in place for the District. There is a sub-committee that will begin that work this summer. There is a group working on primary missions, vision, and values. The statute expands the mission of the new District. This expansion comes with a new cost basis. What will the scope, scale, and cost of that new mission be? These questions must be answered to allocate the cost burden to the District in a new and more equitable way. This will be the central thrust of the work.

He concluded by saying none of this work will probably be completed in 2022 but will continue into 2023 and 2024.

**Chair Barringer asked this follow-up question?**

Do you have a congressional delegation that is aware of the need for funding?

Mr. Jordan said they are in conversation with the congressional delegation, particularly Congressman Peter Defazio, who chairs the Infrastructure Committee in the house.

Ms. Evyn Mitchell responded by saying yes, they do have a liaison. They have a federal lobbyist that works on behalf of the district who has been very involved in infrastructure issues. She works very closely with a number of the District's delegation members and staff as well as the Army Corps of Engineers, FEMA, and other entities where funding could potentially become available. In addition, she sends regular updates infrastructure packages and other potential avenues for funding.

**Commissioner Norton asked the following questions:**

Last year you told us you were beginning to study options for new revenue sources. What progress have you made on that effort, and what options are under the heaviest consideration? Of course, this is a two-year process, but what tangible results will you likely be telling us about at next year's hearing?

Mr. Tanney Stafferson answered, saying they are hoping for substantial progress this year. The legislation outlines a range of options for "financing the construction, operations or maintenance of district works," including property assessments; services and user charges, fees, rates, or tolls; revenue bonds; intergovernmental loan agreements; voter-approved general obligation bonds; or any combination of these revenue sources.

hat the District is trying to do now is build a revenue model that will stand the test of time and work for the District. It will take a while to do that. The Levee Ready Columbia partnership did the initial revenue structure, proof of concept. Unfortunately, that is where things stopped due to delays experienced. So the revenue committee will take this on next month. They will do their best to get that revenue model built effectively and equitably as quickly as possible.

Will you build that model by the committee before you turn it over to the study contractor?

Mr. Stafferson said no, the contractor would be involved in that process. There will also be community involvement.

**Commissioner Ofsink asked the following questions:**

What is the purpose of the Communications and Community Engagement plan? Is it to get information or to distribute information, and how does this differ from the work that Levee Ready has been doing

Mr. Corky Collier responded, saying they need to engage the public. The District will be hiring a contractor to help develop a name /identity "brand" that resonates with the community. In addition, UFS&WQD will be developing revenue structures to support the permanent operations and capital needs. This requires a comprehensive strategy to build community support and trust, including communicating about the purpose and benefits of the District and engaging constituents to provide feedback to guide board decision-making.

FY22 includes procuring contractors to develop and implement a cohesive plan that incorporates the District's Mission Vision Values and creates a name, identity, a brand that resonates with the community. While the brand and communication collateral are being developed, staff and contractors will work with the Mission Vision Values, Revenue Analysis, and Equity and Environmental committees to identify important decision-points to

provide the basis of the communications and engagement strategy. Then, with a plan in place, the education and meetings with the relevant constituencies will begin.

The proposed budget includes digital and print materials and in-person and virtual engagement activities, including working with culturally specific organizers to engage BIPOC and other historically marginalized communities.

This effort is specific to the new District and its future operations. In contrast, LRC's communications effort is focused on building public awareness of levee certification to meet Federal Emergency Management Agency standards for flood insurance and flood emergency response.

This budget will engage the public to build trust, build understanding, and a brand name so that when the District approaches them with a finance plan, they will be agreeable.

What is the ongoing relationship with Levee Ready?

Mr. Collier said there is confusion there. The end goals differ. Levee Ready Columbia communicates the reason for the levees. UFSWQD shares the reason they need more money.

Ms. Mitchell added part of the strategy would be how the District deals with various names and brands over the next five years. This will lead to a phasing out of the different names at the appropriate time.

The LRC is currently working on advancing four certification projects and will require community outreach. In addition, they will be thinking about how they will strategically work alongside the new District as a part of the discussion of the capital program for the new District. Otherwise, it will just be too confusing for community members to track.

**Commissioner Wubbold asked the following questions:**

The District has an equity committee and has budgeted for an Equity Engagement program. How will you go about designing that program? What do you hope to accomplish in this area?

Mr. Johnell Bell fielded these questions saying the purpose of this work is to ensure the District meets the legislative mandate to "promote equity and social justice in all aspects of its operations." The FY22 budget provides funds to build upon the MCDD existing Diversity and Equity program, provide staff time to support the work of the UFSWQD Equity Committee, and engage a contractor with specific DEI expertise.

The UFSWQD has the unique opportunity of integrating equity in the organizational development process. Most organizations play catch-up and retrofit their equity efforts into their existing structure. This District will be building from the ground up.

Staff and the consultant will work with the committee to:

- Develop an equity policy and equity lens for the District
- Work with the revenue committee to integrate equity into the development of a revenue structure
- Define the central tenants and establish critical objectives of an equity action plan

- incorporating current goals and efforts initiated under the permanent board
- Evaluate and recommend a strategy around environmental justice, planning, budgeting, human resources, and community engagement

He concluded by stating their approach is to think about the DEI efforts in an integrated, holistic way.

Next year the TSCC will be interested to hear about the measurements you have adopted to demonstrate the progress you have made in this area.

**Commissioner Norton asked the following questions:**

Documenting the Cultural history of floodplain management sounds like something that will require expertise in various disciplines. Cultural history is not the expertise of the drainage districts. How are you going to do this? Who are you planning to partner with on this project to develop your sense of the cultural history of the drainage district to impart to the public?

Ms. Maryheken Kincaid responded, saying the cultural history is near and dear to her heart. She leads an effort called the Vanport Placemaking Project. She recognized Commissioner Mark Wubbold for his involvement with this cultural history through Portland State. She explained that Portland State got its start in Vanport and are interested in the history.

The managed floodplain behind the levee system has a significant cultural and community history of flooding, displacement, and loss. This history should be remembered so that it is not repeated. The UFSWQD will provide the public with information regarding the cultural history of the land as well as the people that currently and historically have lived on and off the land. MCDD has retained Ethnohistory Research, LLC's Professor David Lewis, who is a recognized researcher, scholar, and writer of histories of the original peoples of the Northwest Coast and California. He will conduct archival research of the native people who lived and utilized the floodplain, along with additional historical research on the District.

Additionally, the District will leverage MCDD's partnerships with Vanport Mosaic and the Vanport Placemaking Project to support research and commemoration of the tragic events and resultant displacement of the 1948 flood victims that devastated one of the most diverse communities in Oregon at the time. From 1942 to 1948, Vanport was the second-largest city in Oregon. It was also the most diverse community in Oregon, with many firsts in racial equality issues.

The UFSWQD will build on the work, engage new partnerships, and plot a strategy to celebrate, commemorate, and educate people.

Ms. Kincaid went on to say by saying she owns property in the area, and her property assessments help support this district. She feels this is money well spent to learn more and have better insights about what could happen in the future.

As this project moves forward, there will be a need to collaborate with those Native American People who feel this is their proprietary history.

She said she fully understands that. Paul Lumley, who is the director of NAYA, is on the district board. There were Japanese refugee camps in Vanport also. The intent is to make people aware. It is essential to know there is no common agreement.

She concluded by stating that she has faith that it will be successful with the staff and Evyn Mitchell's leadership working with the community. As a result, people will be better educated and accepting of history.

**Commissioner Quiroz asked the following question:**

By 2025, the District is anticipated to be in a position to fully take over the duties of the four current drainage districts. As the District evolves, how will its functions differ from the work being done by the drainage districts?

Mr. Jordan answered this question by explaining that the districts are very interwoven and yet excluded from doing activities such as environmental remediation and habitat enhancements. Those kinds of activities are explicitly in the statutes for the UFSWQD and will expand the scope of the work. That allows the District to think more holistically about many things within the managed floodplain. It will be a broader, more extensive, and more diverse kind of effort than the drainage districts have historically done.

The structure of the District is different. When the permanent board of directors is in place, it will be a majority of elected members, along with members appointed by the Governor, not elected by property owners or those representing property owners within the District. This is not as transparent as far as leadership and accountability are concerned. This will be a significant difference in the way the new District operates compared to the drainage districts.

There are currently four elected boards that are accountable for the various districts. These elected officials have different opinions on subjects such as adequate maintenance, life cycle costing for a capital improvement plan. That will now be unified under one District with one board of directors. They will set the course.

In several different ways, both functionally with the various aspects of the work and operationally with the accountability of an elected board of unified board and staff, the new District will look significantly different as the District moves into 2025.

Chair Barringer said that is the end of the formal questions by the commissioners. He thanked Urban Flood Safety and Water Quality District's board members and staff for their attendance and contributions to the hearing. He asked Executive Director Gibons if there was anyone in attendance that would like to speak. Mr. Gibons said no one had signed in to speak. With no one signed up to speak, he closed the Budget Hearing for UFSWQD.

He asked if the commissioners had any comments they would like to make. There were none. He then closed the public hearing and opened a meeting of the Tax Supervising and Conservation Commission. He asked if there were any comments on the budget. There were none. So he asked Executive Director Gibons to give a review of the budget and staff's recommendations.

Executive Director Gibons thanked the district staff for their help with the budget during this unique time. He said TSCC staff recommend that the budget be certified with no recommendations or objection to Urban Flood Safety and Water Quality District's 2021-22 budget and budget process.

Chair Barringer asked for a motion to certify the 2021-22 budget for the Urban Flood Safety & Water Quality District.

Commissioner Ofsink moved to approve the certification letter as presented by staff. Commissioner Wubbold seconded the motion, which passed with a unanimous vote (5).

Chair Barringer adjourned the meeting.

**Minutes approved by Commission  
At June 17<sup>th</sup> Meeting.**