

Approved - September 24, 2008

***Willamette River Water Coalition
Board Meeting Minutes
Monday, June 30, 2008***

WRWC Board Members or Alternates present:

Richard Burke – WRWC Chair, TVWD Board of Commissioners
Tom Woodruff – WRWC Vice-Chair, Tigard City Council
Ed Truax – Tualatin City Council
Lee Weislogel – Sherwood City Council

WRWC Member Staff present:

Mike McKillip – City of Tualatin
Todd Heidgerken – Tualatin Valley Water District
John Goodrich – City of Tigard
Craig Sheldon – City of Sherwood

WRWC Staff present:

Amanda Rich – Western Advocates Incorporated
Tracy Rutten – Western Advocates Incorporated
Kelly Ross – Western Advocates Incorporated

Guests & Members of the Public present:

Delora Kerber – City of Wilsonville
Ed Cleary – Citizens for Safe Water
Dolores Hurtado – Families for Safe Water
Peg Wills – Families for Safe Water
Kathy Newcomb – Citizens for Safe Water
Beth Morris – Families for Safe Water
Colm Brennan – Citizens for Safe Water
Jim McHaugton – Citizens for Safe Water

I. Call to Order

Chair Richard Burke called the meeting to order at 6:33 pm at the Sherwood City Hall City Council Chambers at 22560 SW Pine Street, Sherwood, OR 97140.

II. Review and Approval of Minutes

The board reviewed minutes from April 30, 2008.

Ed Truax moved approval of the minutes. Lee Weislogel seconded the motion with a spelling correction under agenda item II, paragraph 2 from “Weislogal” to “Weislogel.” Motion to approve the minutes as corrected was approved.

III. Willamette Water Right Update

Todd Heidgerken directed the board’s attention to the “final order” which was received in the mail (on June 30, 2008) from the Water Resources Department. There had been a missing

component with respect to the Willamette River water right and the process of assigning it and ensuring that the point of diversion matched up to the Willamette Water Treatment Plant in Wilsonville. This final document changes the point of diversion so that it matches up. We will no longer have to include this issue on future agendas as the water right has been extended, assigned to the Willamette River Water Coalition and the point of diversion lines up.

IV. Discussion of Draft Restated IGA

Clark Balfour reviewed both a red-line/strike-out and clean version of the IGA with the board. He provided the board with background on the document in terms of revisions to the IGA that were based on comments and discussions with staff and following the fact that there have been members who have dropped out. The IGA is now limited to the parties at the table and there have been some edits made to account for changed circumstances and also to account for anything that might occur in the future. He noted that the difference between the previous draft that had been sent out in the board packet and the revised draft that is before the board today is based on comments received last week from Tualatin and Sherwood.

Tualatin's comments included non substantive edits to inconsistencies in references made throughout the IGA (e.g. entities/members/parties). The draft before you references "members" throughout the document to achieve consistency.

Sherwood's comments resulted in more substantive edits to sections 5.2, 5.4, 7.1.5, and 7.1.7 in order to recognize that Sherwood has undertaken to acquire 5 mgd from the Wilsonville water treatment plant. They are currently underway to build a 20 million gallon/day transmission line which has gone through the project offering process and, due to a decline from everyone else, is essentially a Sherwood project at this point. Most importantly, we are trying to recognize in the IGA that Sherwood has projected, through its demand forecast, that it will use 20 mgd as part of its ultimate growth and that that is going to come from the Willamette source. Right now they only have 5 mgd in the plant at Wilsonville. At some point there will need to be a true up. We want the changes to reflect that, as it relates to the 1973 permit, we are going to allocate 20 mgd to Sherwood. If for some reason this organization were to dissolve or should some other changes occur, the IGA recognizes that Sherwood is entitled to 20 mgd from the 1973 permit. This is similar to Tigard's allocation of 40 cfs (which is approximately 26 million a day) which would be left to them assuming they relinquish their pending application from 1995 for a similar quantity of water. We want to provide for a clear allocation of water to be left behind should some change occur to WRWC. The next step is for the board to review, discuss and decide whether to go forward.

Ed Truax requested further clarification on section 9.9 of the IGA which includes a typical back boilerplate about joint and several liability. He questioned what the practical implication of that section would be based on this agreement should, for example, Sherwood default on their bond to construct the plant.

Clark Balfour responded that the clause refers to jointly done projects in the name of WRWC and that Sherwood would be solely responsible in the example given. He explained that should there be a joint project in the future that this agreement would anticipate the negotiation of a project agreement that an entity is only responsible for their share.

Clark Balfour expressed the desire to have the IGA reviewed once more by respective staffs for any further modifications. If there is consensus, a clean version can then be taken to respective councils/boards. If each council/board approves and signs the final draft IGA with no further changes, we do not need to bring it back for adoption at the next WRWC board meeting. If there are any substantive changes needed we would need to bring it back.

Tom Woodruff asked for clarification on what the adoption of the IGA accomplishes.

Clark responded and explained that many of the powers originally outlined are carried forward and that what this does is update the agreement for those who are truly active, recognizes the ongoing Sherwood project and provides them with certainty and reliability. The revised IGA also continues to confirm Tigard's opportunity to use this water should it walk away from its individual pending Willamette permit. It also recognizes that the original 1973 water permit with Tualatin Valley has now been assigned as an asset of WRWC.

Chair Burke added that the revised IGA preemptively clarifies potential points of confusion before they occur.

There were no further questions or comments.

V. Election of Officers

Chair Burke expressed the need to elect a new chair and vice-chair as there is a term limit and he can no longer serve as chair.

Lee Weislogel nominated Ed Truax. Ed Truax accepted the nomination but stipulated that he could only serve as chair if he is re-elected in November. There were no other nominations. The nomination was unanimously approved by a voice vote of the board.

Ed Truax nominated Tom Woodruff for vice-chair. Tom Woodruff declined the nomination as his term expires in December and he is not seeking re-election.

Tom Woodruff nominated Lee Weislogel for vice-chair. Lee Weislogel accepted the nomination. There were no other nominations. The board unanimously approved the nomination by a voice vote.

Chair Burke clarified that the term of office begins upon adjournment of this meeting.

VI. Staff Report

a. Financial Report

Amanda presented the financial report for the period ending May 31, 2008. She noted that WRWC is on track to have a solid ending fund balance at the end of the fiscal year which is today (June 30, 2008) and that there are no significant expenses expected to come through. She reminded the board that when the budget was adopted for the fiscal year, the board had made the decision to take half of the ending fund balance as of June 30, 2008, and apply that amount to the total dues owed. Dues will

be calculated once we get a final report from TVWD with the final ending fund balance.

b. Staff Change

Amanda announced her departure from Western Advocates Incorporated as of the end of July. Tracy Rutten of Western Advocates Incorporated, along with Kelly Ross will be taking over administrative duties. Amanda will be available to Tracy for transition and to answer questions throughout the transition.

VII. Member Updates:

Tom Woodruff followed-up on a report given at a previous WRWC meeting regarding Tigard's work and partnership with the City of Lake Oswego which continues to go smoothly. The two cities have reached an agreement on an IGA which will be acted upon and ratified at Tigard's first meeting in August. Lake Oswego will also be acting upon the agreement in the near future.

Craig Sheldon reported on the Sherwood project and pipeline progress. The reservoir is under construction and should be online by July of next year.

VIII. Public Comment

Delores Hurtado, a citizen of the City of Tualatin, had a question for the board. She sought clarification from the board regarding who are the constituents of the organization and to whom the WRWC is accountable as a body. She inquired as to whether she was a constituent and if so, what is her role as a constituent of the WRWC.

Chair Burke replied to her and explained that each member of the board serves on behalf of the respective jurisdictions that they represent and the citizens of those jurisdictions are our constituents. Each of the various elected bodies represented on the WRWC has selected a representative to this body. This is an intergovernmental body.

Ms. Hurtado further questioned as to how the public impact the WRWC.

Chair Burke responded that the public can attend and comment at WRWC meetings and can attend meetings of each respective jurisdiction and provide public comment regarding that body's role and participation on the WRWC.

Ms. Hurtado sought clarification that if a citizen testifies to their own respective body that they don't believe their jurisdiction should spend money on the WRWC, they would have to convince their own respective jurisdiction's council or board?

Chair Burke responded that as a TVWD board member, he doesn't have any authority to unilaterally commit TVWD dollars to the WRWC or to make policy decisions related to the WRWC without having authorization from the respective jurisdiction that he represents.

Ms. Hurtado made further inquiries regarding if the WRWC decided to take on management of a facility or a portion of the Willamette plant whether they could do that in order to use the

Willamette river water at some point? She commented that she believed that the organization could do that as she was under the impression that that is what the organization is set up to do.

Chair Burke responded that he would have to confer with legal counsel but to his knowledge there is nothing on the drawing board to do that.

Ms. Hurtado further commented that she understands that WRWC is not contemplating that right now but wanted to know if that were being contemplated, does the WRWC have the water rights that TVWD used to have, do they have the management rights?

Chair Burke reiterated that before the WRWC board could take a policy position such as that, the members of the board would have to go back to our respective boards and councils prior to making such a decision.

Ms. Hurtado inquired whether there is something in the IGA that says that.

Ed Truax explained that while he is comfortable talking about board-related matters of the WRWC such as taking half the ending fund balance and applying it to the total dues owed. However, if policy decision needed to be made, he would never make any significant decision without first having gone back to the Tualatin city council and presenting it to them first to discuss it in a work session or at a council meeting to get direction on how to vote and to get direction from them for when he comes back to WRWC. There is a history of that happening and that is what will continue to occur. He explained that his vote will be a reflection of his council and what they have agreed to.

Ms. Hurtado explained that she wants to be assured that this is the methodology of all.

Chair Burke explained that the TVWD policy manual states that commissioners can not make policy decisions or speak on behalf of the commission without the board's say-so.

Ms. Hurtado expressed her concern that a joint organization doesn't lose contact with people that they are serving and that she wants to ensure that the channels are clear and open.

Ed Truax responded that none of WRWC board members wants to be in the position of voting or speaking on behalf of their respective jurisdictions without having taken it to our boards, councils or commissions in order to receive their complete backing.

Kathy Newcomb expressed her concern regarding a comment that she had heard made at a TVWD board meeting by Greg DiLoreto regarding moving the administration of the WRWC away from TVWD to WRWC. Ms. Newcomb explained that she heard him say that this is what we always planned to do. Ms. Newcomb explained that she is unaware of any discussion that has occurred to do that.

Todd Heidgerken provided clarification and a history in looking back at purpose of why this organization formed. He explained that what happened was that a variety of water providers were approaching water supply issues on their own and it became clear that there was a need to

coordinate on how, should any development occur on the Willamette, would that development occur. That is the reasoning behind the formation of this organization. The concept about WRWC being a water supply agency has been in agreement from the start. The original agreement talks about how we are going to work together and coordinate. That is why there is a whole process set out for how projects are proposed. If you look back to the very first project with TVWD participating with Wilsonville in construction of facility, that was actually a WWSA proposal. If you look at the agreements between Wilsonville and TVWD, they all reference the assignment of those facilities to the WRWC.

Chair Burke commented that the roadmap was laid out years ago and the changes you witnessed being made were a result of following through and completing those agreements.

Ms. Newcomb commented that those discussions should be here and should be on the agenda. She further commented that the asset is the water right and that the administration of the asset is different than the asset itself. Ms. Newcomb said that Greg DiLoreto had said that the minutes from March were inaccurate as it was not the asset that was being transferred to WRWC, it is the administration of the asset. She explained that she felt it to be highly improper to talk about transferring the administration of the asset at TVWD without discussing it here. She requested to have this put on the agenda for next meeting.

Chair Burke suggested that we should go back first and look at the facts and talk to Greg DiLoreto to get clarification.

Amanda Rich explained the nature of an IGA. The WRWC is an agreement formed between member agencies. The IGA is a tool and the idea of an IGA functions in a way where an idea coming from a member agency first and rising up into the WRWC for discussion and implementation is appropriate and the way that it should function. The IGA is a way of doing business for member agencies in order to save money and time and to prevent duplication of efforts.

Ms. Newcomb explained that she didn't believe that it happened that way. She explained that a member of the audience had a question and got a response that was very strange.

Chair Burke explained that what he heard and what she heard differs. He expressed that there is a need for Ms. Newcomb to contact Greg DiLoreto and get clarification on the facts.

Ms. Newcomb expressed her hope that this will be an agenda item for the members of this board in the future.

Chair Burke explained that he will not commit to an agenda item until we have a better understanding of what is going on.

Ms. Newcomb also requested clarification on a comment she had heard from Ross Schultz regarding the Sherwood project and getting assistance from WRWC. She requested that this be clarified in the future.

Approved - September 24, 2008

Colm Brennan of Aloha had a question regarding the financial statement and what the board started the year with. He noted the ending fund balance, but inquired as to what amount the board had started their fiscal year with.

Amanda Rich responded that she did not have the appropriate documents with her and that she would be able to answer that question via email.

IX. Next Meeting

Chair Burke: There is a staff recommendation for September 24, 2008.

X. Adjournment

Lee Weislogel made a motion to adjourn the meeting. Tom Woodruff seconded the motion and the meeting was adjourned at 7:39 p.m.