



February 22, 2022

Senate Veterans & Emergency Management Committee
Oregon State Capitol Building
900 Court Street NE
Salem, OR 97301

Chair Manning & Members of the Committee,

In 2019, the Oregon State Legislature passed Senate Bill 431, creating the Urban Flood Safety & Water Quality District (UFSWQD), a new special district created to take over the management of the large network of levees, pump stations, and conveyances that reduce the risk of flooding along the Columbia River in northern Multnomah County. The legislation was introduced at the request of Levee Ready Columbia, a regional partnership of public, private, and nonprofit organizations working collaboratively to modernize this infrastructure and the way it is managed.

SB 431 recognized the importance of the lands and assets protected by the levee system to the state's economy, including the Portland International Airport, three interstate highways, two Tier 1 railways, as well as Oregon's second largest source of drinking water. This area is also home to nearly 8,000 residents and 2,500 businesses with 59,000 jobs that generate about \$16 billion in annual economic activity and associated revenue for the State, along with over 2,000 acres of parks and natural areas that provide habitat for multiple endangered and protected species.

Passage of SB 431 (now ORS Chapter 550) was foundational to putting a more modern, efficient, environmentally friendly, and financially sustainable governance structure in place to protect people and property along the river from flooding, prepare for climate change, and contribute to the health of the river and the watershed. But creating a new government (and dissolving four others in the process) is a complicated process and as the Board of the UFSWQD has worked to stand up the district, including identifying a revenue structure to pay for ongoing operations and capital improvements, some ambiguities, sequencing issues, and an accidental oversight have been identified in the original statute.

HB 4067 seeks to address the unintended ambiguities and accelerate the transition to a more modern and sustainable district that is better equipped to meet the region's flood safety and climate resilience needs. The faster timeline will also help better position the region to compete for a significant federal investment in the levee system, which will dramatically reduce the funds that will need to be raised here in Oregon while making major improvements to the flood safety infrastructure that will increase its operability and resilience for the next generation and beyond.

A summary of the changes proposed in HB 4067 is enclosed with this letter.

Ongoing support for this new governance structure and the protection of this vital area is critical to our collective interests as a state. Please vote yes on HB 4067.

Thank you for the time and consideration.

Sincerely,

Nolan Young
Nolan Young (Feb 22, 2022 09:10 PST)

Nolan Young
Chair, Levee Ready Columbia
City Administrator, City of Fairview

Michael Jordan
Michael Jordan (Feb 22, 2022 08:53 PST)

Michael Jordan
Chair, Urban Flood Safety & Water Quality District
Director, Bureau of Environmental Services, City of
Portland

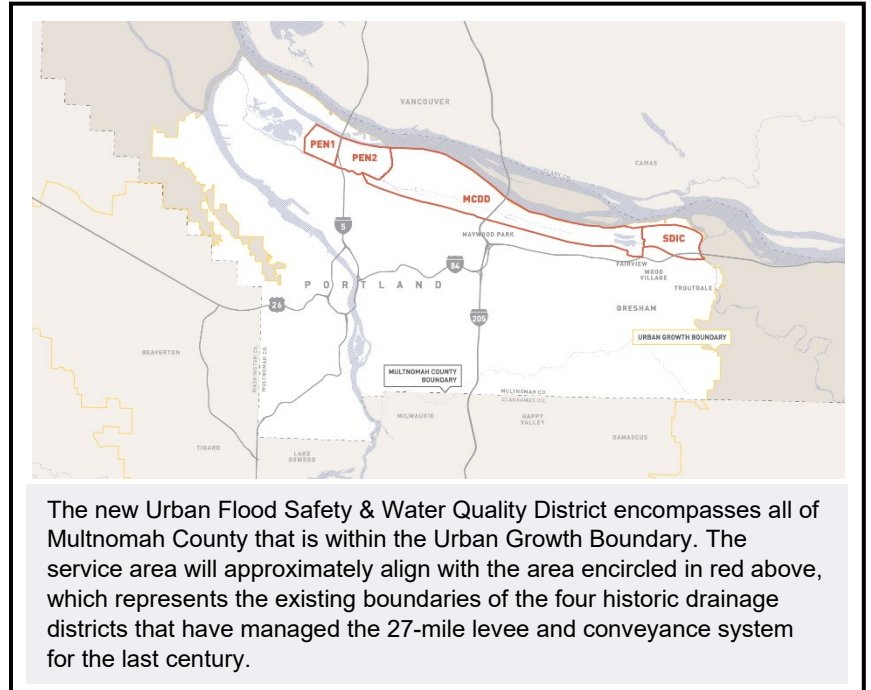
House Bill 4067: Improving Flood Safety Along the Columbia River

Background

In 2019, the Oregon State Legislature passed Senate Bill 431, creating the Urban Flood Safety & Water Quality District (UFSWQD), a new special district to manage the levees, pump stations, and conveyances that reduce the risk of flooding along the Columbia River in northern Multnomah County. The legislation was introduced at the request of Levee Ready Columbia, a regional partnership of public, private, and nonprofit organizations working collaboratively to modernize this infrastructure and the way it is managed.

SB 431 recognized the importance of the area protected by the levee system to the state economy. The area not only includes the Portland International Airport and Oregon's second largest source of drinking water, but it is also home to nearly 8,000 residents and 2,500 businesses that generate at least 59,000 jobs and \$16 billion in annual economic activity and associated revenue for the State.

This infrastructure is currently operated and maintained by four drainage districts that were first established in 1917 by farmers and other business interests that wanted to drain the land along the river for year-round use. Although the drainage districts have done as much as they can with the resources provided, they were never intended to manage and make significant capital investments in what has become urban infrastructure.



The passage of SB 431 (now ORS Chapter 550) was foundational to putting a more modern, environmentally friendly, and financially sustainable governance structure in place to protect people and property from flooding, prepare for climate change, and contribute to the health of the river and the watershed.

Purpose of the bill

With the passage of SB 431, the UFSWQD became an entity of the state in late 2019 and the initial 17-member board was appointed in mid-2020. As the Initial Board has begun its efforts to stand up the district and identify a revenue structure to pay for ongoing operations and capital improvements, several ambiguities and sequencing issues have been identified in the statute. HB 4067 intends to address the ambiguities to help speed up the creation of a revenue structure for the district and accelerate transition to a single, more modern, and sustainable district capable of meeting the region's flood safety and climate resilience needs.

More specifically, the bill will:

- 1. Clarify the authorities of the "Initial Board" and the "Board of Directors"**

ORS 550.190 created an "Initial Board" of 17 appointed members to develop a revenue structure prior to handing ongoing oversight of the district to a 9-member elected and appointed "Board of Directors." The use of three terms in the legislation – "Initial Board," "Board of Directors," and "district board" – has led to ambiguities in the authorities of the initial 17-member board. The proposed amendment eliminates the term "district board" and clarifies that the Initial Board has the same authorities as the Board of Directors except in initiating the dissolution of the four historic drainage districts. This power was intended to be reserved exclusively for the 9-member Board of Directors to use once a revenue structure has been put in place to support the work of the

district.

2. Reinforce the financial tools available for use by the district

ORS 550.330 grants the District broad authority to use various financing methods, however, the Initial Board has expressed concern that certain financial tools may not be available to the district because they are not expressly allowed under Chapter 550. Additionally, the Secretary of State’s office raised the concern that the boards do not have the authority to call for the election needed to approve a general obligation bond since that power is not explicitly stated in 550.210 (powers of the board). The proposed amendments specifically address these concerns by adding the power to call for an election to the powers of the board and specifying that the district can take advantage of all other financing methods allowed by law (except for ad valorem property taxes and local option levies under ORS 280.040 to 280.154) in ORS 550.330.

3. Clarify the levels of funding needed to initiate the dissolution process

ORS 560.340(2) provides that the Board of Directors can initiate dissolution and merger of the four historic drainage districts when it has “sufficient” “operating and capital funding” to assume and manage the duties, assets, and liabilities of the historic drainage districts. The proposed amendment clarifies that the Board of Directors can call for the dissolution of the historic districts once it can afford to take on their existing duties, assets, and liabilities.

4. Clarify and speed up the transition between the two boards

ORS 550 provides that members of the Board of Directors are to be elected in May during odd years like all other special districts. This could result in a multiple year delay once a revenue structure has been identified so the proposed amendment provides the district with the ability to have the first election of the 9-member board on the ballot during other election periods and then staggers the terms so all elected board members subsequently align with other special district elections in May of odd years.

5. Address operational needs related to obstruction

ORS Chapter 550 provides the district with the ability to remediate negative impacts to waterways under the jurisdiction of the district but does not provide the same authority related to the levees. The historic drainage districts have relied on statutory enforcement authority to work with landowners and developers to quickly resolve obstructions and other negative impacts to the districts’ works without litigation. The proposed amendment clarifies that the UFSWQD can bring civil action to address obstructions on the levees and not just in the waterways.

Please direct any questions to Mark Landauer at mldauer@mjlconsulting.com, 503-896-2338 or Evyn Mitchell at emitchell@mcdd.org, 971-285-0677.



Levee Ready
COLUMBIA

Levee Ready Columbia is a partnership of public, private, and non-profit partners working collaboratively to reduce flood risk along the Columbia River in the greater Portland metropolitan area.



www.LeveeReadyColumbia.org









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Final Audit Report

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