Clean Water Services
Our commitment is clear.

DATE: January 31, 2014

TO: Clean Water Services Advisory Commission (CWAC) Members and Interested Parties

FROM: Mark Jockers, Government & Public Affairs Manager

SUBJECT: REMINDER OF AND INFORMATION FOR FEBRUARY 12 MEETING

This is a reminder of the CWAC meeting scheduled for **Wednesday, February 12, 2014.** The CWAC meeting packet will be mailed to Commission members on February 4. The Agenda will also be posted to Clean Water Services' website by February 5 at CWAC section of our website.

Food will be served for CWAC members at **5:30 p.m**. prior to the meeting.

Please call or send an email to Mark Jockers (JockersM@cleanwaterservices.org); 503 681-4450) if you are unable to attend so food is not ordered for you.

Enclosures in this packet include:

- Agenda for February 12, 2014 Meeting
- January 8, 2014 Meeting Notes

Note: Additional background materials on the SDC Financing Agenda item will be emailed to Commission members in advance of the February 12 meeting.

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Clean Water Services Advisory Commission
February 12, 2014

AGENDA

6:30 p.m. **Welcome**

6:35 p.m. **Review/Approval of Meeting Notes of January 8, 2013**

6:40 p.m. **Appeals Subcommittee**

Following the January 8, 2014 CWAC meeting, it was brought to staff's attention that there were only two openings on the Appeals Subcommittee—one regular member and one alternate. Commissioners Waffle and McKillip were appointed to the Subcommittee in June 2012 and their terms remain active through next year.

- Jerry Linder, Legal Counsel

Action requested:

- Rescind the January 8 Appeals Subcommittee appointment action
- Appoint Richard Vial as regular member and Art Larrance as an alternate to the Appeals Subcommittee (2014-2017)

6:55 p.m. **Systems Development Charge (SDC) Financing Policy Review**

Staff will provide a report on input received from Washington County City Managers and Finance Managers and seek CWAC's input on policy elements.

- Mark Poling, Business Operations Department Director
- Kathy Leader, Finance Manager

Action requested: Provide input on SDC financing policy

8:00 p.m. **Announcements**

8:10 p.m. **Adjournment**

Next Meeting: March 12, 2014

Clean Water Services
Clean Water Advisory Commission
Meeting Summary
January 8, 2014

Attendance

The meeting was attended by Commission Chair Tony Weller (Builder/Developer) and Commission members Molly Brown (District 2-Malinowski), Lori Hennings (Environmental), John Jackson (Agriculture), John Kuiper (Business), Mike McKillip (District 3-Rogers), Art Larrance (At-Large-Duyck), Judy Olsen (Agriculture), Stephanie Shanley (Business), Richard Vial (District 4-Terry), David Waffle (Cities), and Clean Water Services District General Manager Bill Gaffi.

Commission members Alan DeHarpport (Builder/Developer), Erin Holmes (Environmental), and Cathy Stanton (District 1-Schouten) were absent.

Others in attendance were Shah Smith (student and interested citizen) and Clean Water Services staff members Mark Jockers (Government and Public Affairs Manager), Jerry Linder (General Counsel), Mark Poling (Business Operations Department Director), Bruce Roll (Watershed Department Director), Diane Taniguchi-Dennis (Deputy General Manager), Lorene Walsh (Government and Public Affairs), and Laura Porter (Watershed Management Department).

1. Call to Order

Mr. Weller called the meeting to order at 6:39 PM in the conference room at the Clean Water Services Administration Building.

The new CWAC Agricultural Representative John Jackson who was appointed by the Board of Directors on December 3, 2013, was welcomed to the Commission. Mr. Jackson owns a six-acre nursery agricultural operation south of Cornelius and recently completed a term as Chair of the Oregon Water Resources Commission and on the Oregon Watershed Enhancement Board. Mr. Jackson served as the Planning Division Manager for Clean Water Services (then Unified Sewerage Agency) from 1989-99.

2. Review/Approval of November 13 Meeting Notes

There was discussion about the purpose of the meeting notes and what length, level of detail, and formality might be best to document the workings of a group which is not a decision-making body but which does take formal action on some agenda items.

There were no revisions suggested to the notes from the meeting held November 13, 2013. Ms. Brown moved to close the comment/revision period. Ms. Olsen seconded. Motion passed.

3. Election of Chair and Vice Chair

Mr. Vial moved to appoint Mr. Weller as Chair and Mr. McKillip as Vice Chair. Ms. Hennings seconded. Motion passed.

4. Recommendation of Budget Committee Members

Mr. Vial moved to recommend Ms. Brown, Mr. DeHarpport, Mr. Kuiper, Mr. McKillip, and Mr. Weller to the Clean Water Services Board of Directors for appointment as citizen members of the Budget Committee. Ms. Olsen seconded. Motion passed.

5. Appointment of Appeals Subcommittee

Mr. Waffle moved to approve Ms. Olsen, Ms. Shanley, and Mr. Vial as members of the Appeals Subcommittee with Mr. Larrance as an alternate. Ms. Hennings seconded. Motion passed.

6. A Decade of Innovation and Tree for All Campaign

Mr. Roll shared an overview ***(presentation and handout attached)*** of innovative strategies implemented by Clean Water Services since 2004, when it received the nation's first integrated, watershed-based NPDES (National Pollutant Discharge Elimination System) permit. Mr. Roll said the watershed-based permit was based on a vision shared by Mr. Gaffi and a few others at that time that a healthy watershed would support a healthy river, and that a coordinated response, rather than various agencies acting separately on different requirements related to specific aspects of the watershed, would provide the greatest overall long-term benefit to the Tualatin River watershed. They also realized that to have a meaningful impact on the watershed would require inclusion of all the different land use perspectives. Mr. Roll said a key aspect of the 2004 NPDES permit was the provision for water quality "credits" and "trading" to address temperature requirements. He added that the multiple approaches to regulatory compliance and the community-based implementation of the NPDES permit were unique in the utility business. Throughout the coming year, Clean Water Services will be celebrating a decade of water quality trading and partnerships.

Mr. Roll's review included the following points:

1. Clean Water Services could have spent $150 million over 20 years to build, operate and maintain chillers at wastewater treatment facilities, which would have discharged cooler water at those specific spots in the lower Tualatin River. Instead, they embarked on a Tree for All program to restore native riparian vegetation to provide cooling shade all along the river and its tributaries—enhancing habitat and providing other benefits throughout the watershed at the same time, and at less than one-tenth the cost.

2. The ag community was particularly important to the early credit/trading efforts as there were existing programs to encourage native vegetation through USDA (United States Department of Agriculture), FSA (Farm Service Agency), and TSWCD (Tualatin Soil and Water Conservation District). Farming, forestry, environmental, and government agency representatives worked together to develop ECREP

(Enhanced Conservation Reserve Enhancement Program), an expansion of an existing riparian buffer program. Funding from Clean Water Services provided economic incentives for landowners to increase participation.

3. There are now at least 8 agencies involved and 7 landowner incentive programs for rural areas. The original focus on riparian areas has broadened to include wetland enhancement, irrigation efficiency, and more. Landowners now get a Conservation/Water Quality Management Plan as part of their participation. More than 60 farms are involved.

4. In 2004, almost 1,000 acres were enrolled. By 2013, total acreage had grown to nearly 15,000 acres. By 2018, there should be 25,000-30,000 acres involved.

5. Fifty-three different native plant species are being placed in the watershed. About 20% are woody plants (trees); the others mostly shrubs.

6. Clean Water Services spent about $2.5 million on these efforts in 2008-13 and expects to spend about the same amount in 2014-2018. Plant costs have dropped from $3-$4 each to less than $1 each, and site preparation and planting density practices have reduced re-planting and maintenance expenses. Also, total available funding has grown as new partnerships have been formed.

7. One of the first programs in urban areas was Tree for All. Cities were challenged to plant 1 million trees in 20 years. Hundreds of projects have been completed, and Tree for All now includes urban/rural interface projects. Four million plants were placed in 2004-2012. The 10-Year Anniversary Challenge is planting 1 million trees in one year.

8. As in rural areas, partnerships are key to the success of urban efforts—Audubon, THPRD (Tualatin Hills Parks and Recreation), and numerous schools, for example.

9. Not all the groups that have become involved are motivated by regulatory compliance—Clean Water Services gets a shade credit, but what's really inspiring is the ripple effect as different groups linked by the same project or effort are also able to accomplish their own goals.

10. Another "ripple" is the industry that has evolved. In 2004, there was not an established supply for the number of plants needed. Now there are several native-plant growers. Some participating landowners have also found that they can harvest and sell seeds from their project plantings**.**

11. There are challenges to the watershed-based approach and community-based implementation, as people all around the country struggle with the concept of trading, and some in the industry feel a utility should not be partnering and leveraging with the larger community.

Mr. Roll said that while tonight's overview focused on water quality trading, Clean

Water Services is also using resource recovery (fertilizer partnership), constructed wetlands for future wastewater treatment (natural treatment systems, or NTS), and other innovations which will be highlighted throughout the coming year.

Mr. Roll also previewed two draft videos—one featuring participating farmers and one showcasing an urban school project. Once final edits are complete, the videos will be available on Clean Water Services website (www.cleanwaterservices.org)

Questions and comments from Commission members included:

1. How does this play out with the permit requirements?

    1.1. Making a direct connection to temperature is a work in progress. Reports are submitted annually to demonstrate how each site is doing in terms of % canopy, % invasives, and level of native plant diversity. There is more to monitoring the actual temperature than just sticking a thermometer in the water. Bob (Baumgartner, Regulatory Affairs Department) could also address this question.

2. Is there data (planting density, etc.) to show how places that were deforested (such as Vermont in the late 1800s) were almost completely reforested?

    2.1. In those times the value was in the timber and the replanting was forestry-driven, where our emphasis on planting native species is habitat-driven. However, we are beginning to talk about whether there is anything that could be harvested outside the first 70 feet of buffer, which is where the most shade benefit occurs. We are looking at situations in forested areas; there are different issues with forest practices laws.

3. Are we doing anything to provide information to small-lot farmers regarding alternative ways to use their land other than till and harvest—such as harvesting or growing native plants?

    3.1. As of last month there are 60+ farms in this program and there is more activity in that area. One of the initial concerns about ECREP was whether it would take valuable farm land out of production. We learned in the first few years that a lot of the land was floodplain that wasn't always tillable every year and wouldn't produce high-value crops anyway. Several private wetland mitigation banks have developed over the past five years—we wouldn't have seen that 10 years ago.

4. There should be more stories highlighting the advantages to local business, education, developers, etc.

    4.1. There is a video looking at economic aspects—Mr. Roll will show it at a future meeting. He also hopes to use a Fanno Creek-Englewood case study to capture the specific advantages to developers for lots in areas that were created in an environmentally-sensitive manner.

5. There should be a message reminding the public why Clean Water Services has taken this path instead of spending millions on chillers which would have only helped in specific location(s). A lot of money has gone into this but it is only a drop in the bucket compared to what it would have been.

7. Announcements

There were no formal announcements.

8. SDC Financing Update

Mr. Vial asked for an update on SDC (Systems Development Charge) financing, an agenda item at the last meeting. Ms. Taniguchi-Dennis said there have been some discussions with city managers, as was suggested by Commission members. The general feeling is that financing is a tool for the residential component of mixed-use developments. There was limited to no interest in offering financing for industrial customers. Interest rates have been discussed. Mr. Poling and Kathy Leader, who presented information about SDC financing at the last Commission meeting, have put together a questionnaire for city managers and should have responses by the end of this month. Based on that input, they will bring further discussion items back to the Commission, possibly in February.

9. Adjournment

Mr. Weller declared the meeting adjourned at 8:26 PM.

(Meeting notes prepared by Sue Baumgartner)

Rural/Urban

Partnership for Restoration in Oregon's Tualatin River basin: 15,000 acres working for watershed health.

Since 2004, Clean Water Services (CWS) has partnered with federal, state, and local agencies to offer voluntary incentive programs that help Washington County landowners enhance farming practices and restore the health of the Tualatin River Watershed. A unique partnership between CWS, Tualatin Soil and Water Conservation District (SWCD) and the local Natural Resources Conservation Service (NRCS) offers farmers a variety of voluntary incentives that support local agriculture while helping CWS meet its Clean Water Act obligations.

In the past decade farmers, have restored native habitat along 35 miles of the Tualatin River and its tributaries by leveraging local and federal resources. By pairing utility-based resources with voluntary Farm Bill incentives, a comprehensive integrated program was developed that simultaneously protects environmentally sensitive land, decreases erosion, enhances irrigation efficiency, restores wildlife habitat, and safeguards ground and surface water. The cornerstone of this collaborative effort is called the Enhanced Conservation Reserve Program (ECREP).

Chicken Creek 2007

Chicken Creek 2012

Rural Partners in the Tualatin River Watershed

- Tualatin Soil and Water Conservation District
- Clean Water Services
- Farm Services Agency
- The Freshwater Trust
- Natural Resources Conservation Service
- Oregon Department of Forestry
- Oregon Watershed Enhancement Board
- Oregon Water Resources Department
- West Multnomah Soil and Water Conservation District

Landowner Incentive Programs

- Agricultural Water Enhancement Program (AWEP)
- Conservation Reserve Enhancement Program (CREP)
- Enhanced Conservation Reserve Enhancement Program (ECREP)
- Environmental Quality Incentives Program (EQIP)
- Oregon Watershed Enhancement Board Small Grant (OWEBSG)
- Vegetated Buffer Areas for Conservation and Commerce (VEGBACC)
- Wetland Reserve Program (WRP)

East Fork Dairy Creek 2005

East Fork Dairy Creek 2011

Fifty nine farmers have signed up for these programs and others are on a wait list to enroll. To date, nearly 15,000 acres of urban and agricultural lands are being restored and managed to protect watershed health. In agricultural areas more than 1.2 million native trees and shrubs were planted in riparian corridors. Approximately 8,000 acres of agricultural lands adjacent to the project areas benefit from the restoration efforts, and 897 acres are under active ECREP management.

Partnership leverages $10 million in watershed investment

Over the past decade, Clean Water Services has invested nearly $6 million in restoration investments which has leveraged $4 million through Farm Bill incentive programs. The success of this program clearly reflects the strong partnerships developed over the past decade. Through a thoughtful planning effort and ongoing adaptive management strategy, this program has become a model for other regions of the United States.

NRCS
Natural Resources Conservation Service

Clean Water Services

TUALATIN SOIL AND WATER CONSERVATION DISTRICT

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A Decade of Community Innovation

Partners

USDA FSA United States Department of Agriculture Farm Service Agency

TUALATIN SOIL AND WATER CONSERVATION DISTRICT

2004

vs.

BOSTON RED SOX

Clean Water Services

Clean Water Act

Land Use Planning Title 13/Goal 5

Endangered Species Act

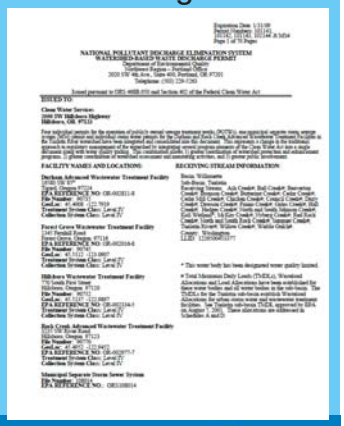
Safe Drinking Water Act

Clean Water Services

What Does The River Need?

2004
Bill, What Were You Thinking?

DEQ
State of Oregon Department of Environmental Quality



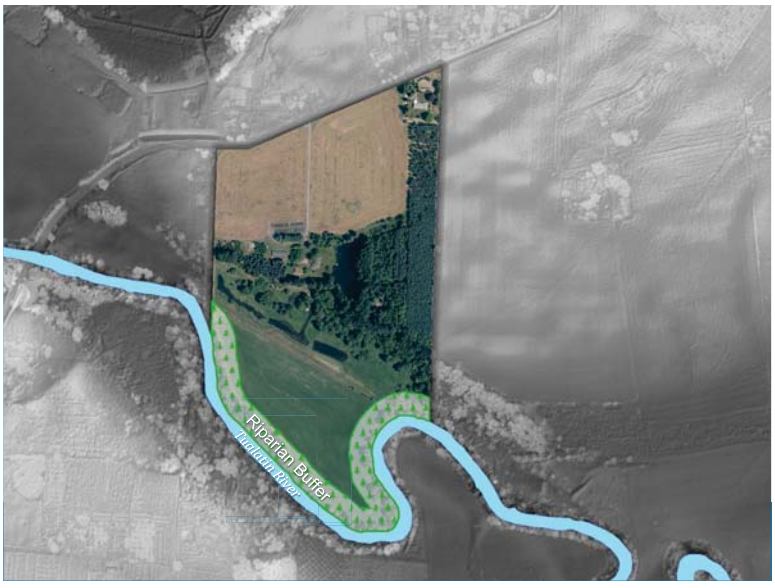
Clean Water Services

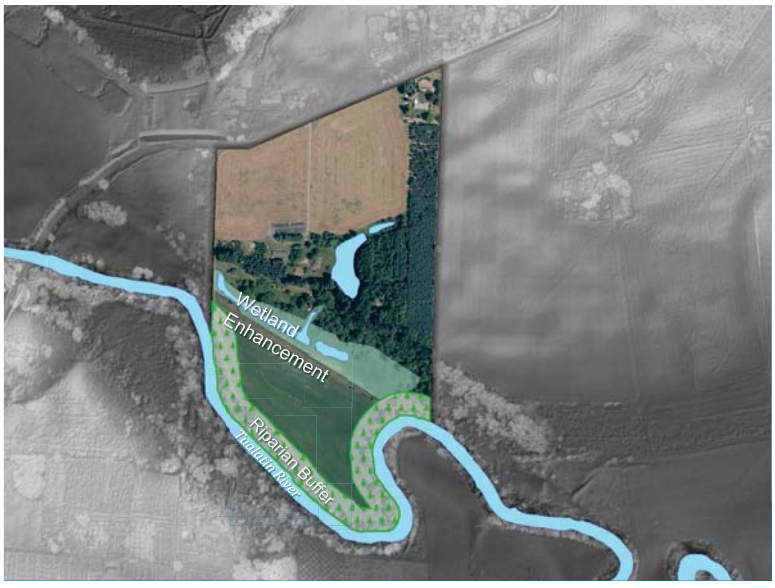
Birth of a New Agricultural Incentive Program

Enhanced Conservation Reserve Enhancement Program

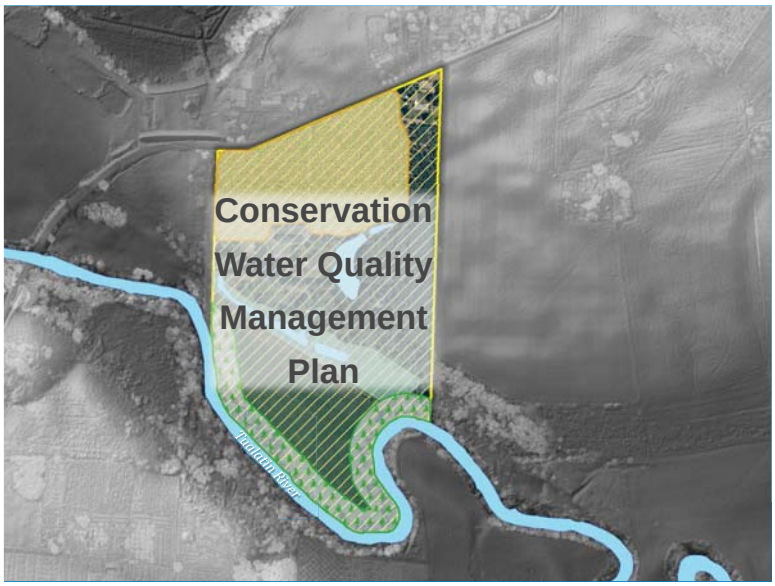
Agriculture Video

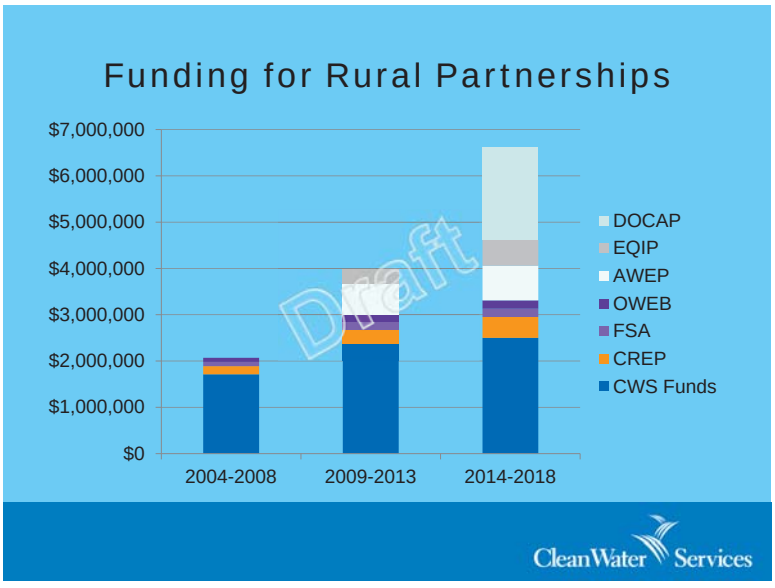
Clean Water Services





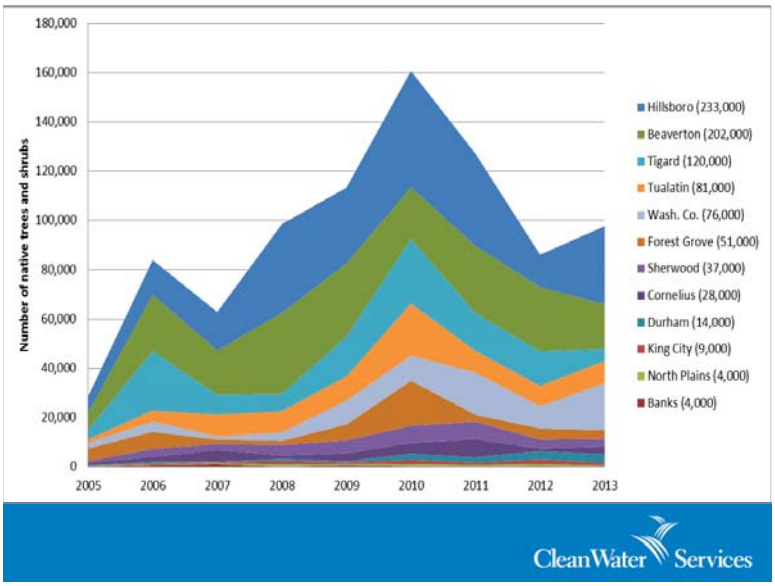

Irrigation Efficiency
Wetland Enhancement
Riparian Buffer
Tualatin River


Conservation Water Quality Management Plan
Tualatin River

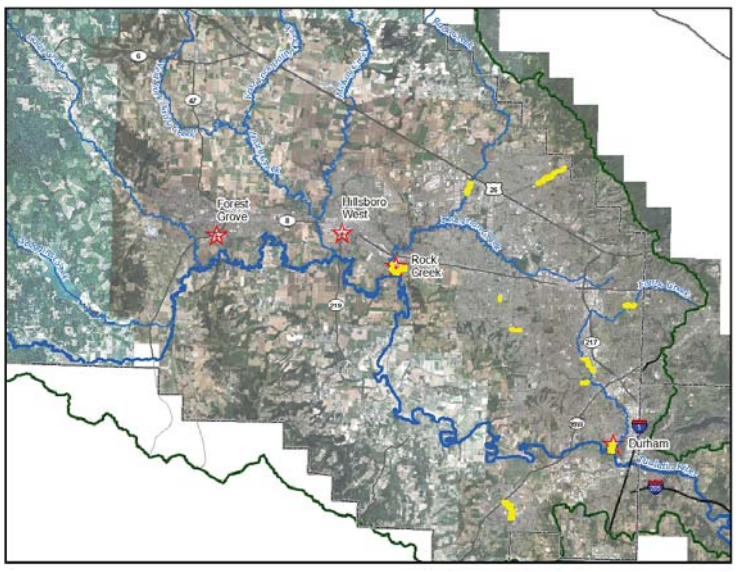

Funding for Rural Partnerships
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$0
2004-2008
2009-2013
2014-2018
DOCAP
EQIP
AWEP
OWEB
FSA
CREP
CWS Funds
Draft
Clean Water Services

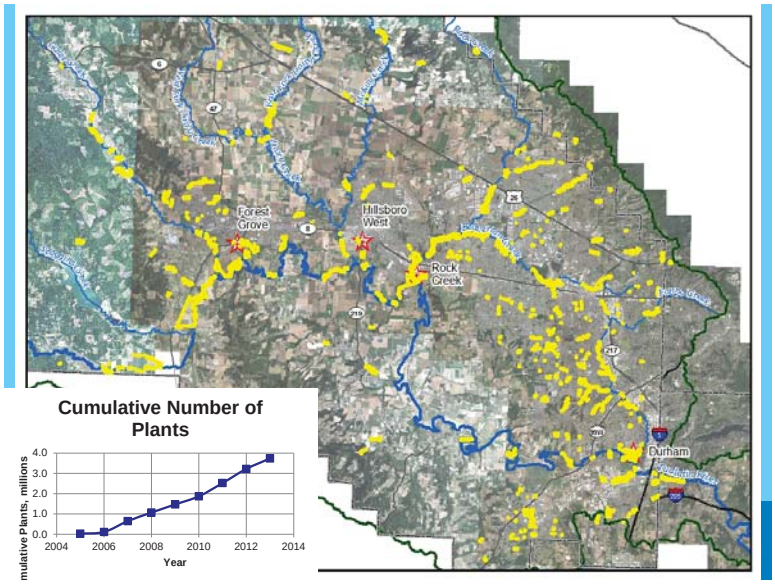

Urban Partnerships

Community Video – School Kids


Number of native trees and shrubs
180,000
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
2005
2006
2007
2008
2009
2010
2011
2012
2013
Hillsboro (233,000)
Beaverton (202,000)
Tigard (120,000)
Tualatin (81,000)
Wash. Co. (76,000)
Forest Grove (51,000)
Sherwood (37,000)
Cornelius (28,000)
Durham (14,000)
King City (9,000)
North Plains (4,000)
Banks (4,000)
Clean Water Services


TREE FOR ALL
1 Million • 1 Year
1 Water
Where to next?


Forest Grove
Hillsboro West
Rock Creek
Durham


Forest Grove
Hillsboro West
Rock Creek
Durham
Cumulative Number of Plants
mulative Plants, millions
4.0
3.0
2.0
1.0
0.0
2004
2006
2008
2010
2012
2014
Year