

WILLAMETTE FALLS LOCKS AUTHORITY

Authority Meeting

October 23, 2024 – 2:00-3:30 PM

Meeting Minutes

(Minutes: Pat Vivian and Reed Wagner)

Authority Board Members Present:

Russ Axelrod [*Geologist, former West Linn Mayor*]

Sandy Carter [*Advocates for Willamette Falls Heritage*]

Robert Kentta [*Tribal Council Treasurer, Confederated Tribes of Siletz*]

Christine Lewis [*Metro Council*]

Denyse McGriff [*Mayor, Oregon City*]

Chris Mercier [*Vice Chair, Confederated Tribes of Grande Ronde*]

Mini Sharma Ogle [*PGE*]

Mary Baumgardner [*West Linn Council President*]

Excused Absence:

Tootie Smith [*Chair, Clackamas County*]

Unexcused Absence:

David Penilton [*Clackamas County Tourism/MERC Commission*]

Staff:

Reed Wagner [*WFLA Executive Director*]

Nicholas Cooley [*Metro*]

Pat Vivian [*notetaker*]

Doug Riggs [*Public Affairs*]

Others Present:

Clark Balfour {*Cable Huston – WFLA Counsel*}

Bob and Donna Hansen

Rep. James Hieb

Keith Hobson [*Keith Hobson Consulting – WFLA CFO*]

Marcus Sis [*Sen. Meek*]

Dan Wilson [*PGE*]

1. Welcome, Meeting Minutes and Treasurer’s Report

1a. Chair’s Welcome. Chair Christine Lewis opened the meeting and noted a quorum was present for voting purposes. Mini Sharma Ogle shared the news that she is leaving PGE after many years of service to join Columbia Sportswear. This was her last meeting as an Authority board member. Dan Wilson of PGE will make himself available to help with island seepage questions.

1b. Approval of Meeting Minutes (September 2024). Secretary Sandy Carter made a motion to finalize the September_minutes as presented, seconded by Chris Mercier. The minutes were unanimously approved.

1c. Treasurer's Report (July-August 2024). Copies of the July-August 2024 spreadsheet showing budgeted vs. actual expenses were distributed. Keith Hobson said he made a correction to the August 2024 budget before it was sent to the Board. We're operating within budget, and there are no surprises, he said. Not all revenues are recognized but they will be by the end of the year.

ACTION: Russ Axelrod made a motion to approve the July-August financial report, seconded by Mini Sharma Ogle. The report was unanimously approved.

2. Executive Director's Report

Executive Director Reed Wagner attended the Northwest Waterways Conference at the beginning of October. Related, following, he met with District Corps of Engineers office employees, and it was agreed the Locks are not officially "decommissioned," a misnomer that crops up often.

Keith Hobson gave a report on the 10-year operations plan. It's directly related to the legislative agenda discussed later today (see section 3b below). The plan was developed with an assumption that certain details are likely to change, but it provides an overview of how money may be spent. Unknown costs, such as legal counsel, will no doubt arise between now and when the Locks open. While planning details are best estimated and subject to revision, the ongoing operational needs shown are based on maintenance cost projections from the updated KPFF engineering estimate. The plan includes long-term reserves for maintenance based on the current year's budget.

According to this analysis, a deficit is projected to begin in 2027-28, but the Locks won't start generating revenue until 2029-30, Reed noted. Current operating funds will start to run out a year before the Locks become self-supporting. When communicating with its partners and the legislature, the Board needs to focus on filling this gap.

Nicholas Cooley reported that he's been studying the financial operations of three Locks systems (John Day on the Columbia River, Ballard in Seattle, and Fox Locks in Wisconsin). The latter was transferred from USACOE to public ownership in 2019.

There was discussion of budget timelines for partnering local governments. The numbers are based on an assumption that the real estate transfer will occur between mid-2026 and mid-2027, Reed said. However, it's hard to be precise about that because the original easements

with adjacent property owners are very old, and a transfer is dependent on the Army Corps of Engineers completing its review of the easements.

3. Discussions: Seepage Update and State Legislative Agenda

3a. Seepage Update. Mini Sharma Ogle reported that seepage in the Locks area has been happening for around 3,000 years. She introduced her PGE colleague Dan Wilson, who reported on the current situation after having spoken to owners of the paper mill.

Reed said ACOE is working with the Board for access to the Locks inspection, which will probably start in 2025. During inspection it should be possible to identify any seepage-related damage and possible remediation approaches. Reed and Dan will work together on this.

3b. State Legislative Agenda. Reed gave a Power Point presentation on the legislative agenda, which consists of six action items. The first four are requests for statutory adjustments; the last two are requests for financial support.

Clark Balfour, legal counsel, described the first four items. The legislation that created the WFLA is well crafted; these requests are for simple adjustments to simplify operations and bring them in line with other Public Corporation operations, on which the WFLA is modeled.

The four requests for **statutory changes** are:

1. *Auditing.* Simplify the requirements so they're more in line with those for smaller entities.
2. *Budget law.* Remove the requirement to comply with local budget law. With fewer requirements, the WFLA Board will still be accountable for how funds are managed. This settles issues such as creating a budget committee, which is necessary to comply with local budget law, when we do not have electors or voters necessary to create a budget committee.
3. *Contracting.* Follow WFLA procurement policies for procurements under \$500,000. Retain the practice of utilizing DAS for procurements over \$500,000.
4. *Governance.* Revise the bylaws to allow the Board to appoint additional officers as needed. Clarify that a quorum is a majority of Board members seated by the Governor, not total positions. This will accommodate delays in filling vacancies.

Russ Axelrod and Christine Lewis said the proposed changes are consistent with prior conversations about establishing the Locks as a public corporation. The Board is justified in requesting these changes, Doug Riggs said. They will make the Authority more efficient.

ACTION: Russ moved for the Authority to adopt recommendations for the four statutory changes as presented, seconded by Sandy. The motion passed unanimously.

Discussion turned to the last two items regarding **fiscal requirements:**

1. *Operational support.* The Board is asking the state to send allocations directly to the Authority now that it is able to accept them, rather than funneling funds through Portland State University. The request notes the Authority will seek additional contributions from its partners.
2. *Financial support.* The Board is asking the state to supplement the \$7.25 million already pledged with an additional \$11.415 million. This amount is primarily based on assumptions in the KPF report.

There was discussion of whether the Locks would be able to serve a critical need for emergency transportation in the event of a catastrophic earthquake.

There was further discussion about applying for federal grants to supplement the state funding. The Locks would be a good candidate for historic preservation and WRDA funds. We should seek support based on the national historic value of the Locks, possibly from the National Parks Service or FEMA. Reed Wagner said he's been brainstorming with the ACOE Portland District regarding opportunities for federal funding related to waterways. Other grant possibilities include Business Oregon and Travel Oregon.

The ask should include as much supporting detail as possible, Doug Riggs advised. It should include supporting statements from Sen. Mark Meek and other legislators. Several agencies such as the Oregon Health Authority are requesting emergency increases this year. The WFLA ask should be characterized as an additional \$11.415 million to supplement the \$7.25 million already granted – not for the total \$18.665 million, Doug cautioned.

Discussion continued with the specific topic of how the Locks might not be a seismically resilient critical needs facility as previously promoted with this current, limited budget. A technical assessment would clarify what's needed for seismic resiliency.

ACTION: Sandy Carter made a motion to ask the state Legislature for an additional \$11.415 million to supplement the \$7.25 million already granted for operational expenses. Denyse McGriff seconded the motion, which passed with unanimous support.

ACTION: Chris Mercier made a motion to approve the repair budget, seconded by Denyse McGriff; Russ Axelrod offered to help refine the repair budget language. The motion passed with unanimous support.

4. Adjourn Meeting

The next WFLA board meeting will be a combined November-December meeting December 4, 2024, to accommodate the holidays.