



MEMORANDUM

TO: Willamette Falls Locks Commission Members
FROM: Turner Odell, Oregon Solutions (OS)
SUBJECT: DRAFT Meeting Summary from April 4 Commission Meeting #1
DATE: April 20, 2018

This memo follows up on the 1st meeting of the Willamette Falls Locks Commission held at the West Linn City Hall in West Linn, Oregon, on April 4, 2018. The memo includes proposed future meeting dates, identified action items, meeting attendance, and summaries of key topics discussed.

UPCOMING MEETINGS

Meeting	Date	Location
Commission Meeting	May 2, 2018 1:00 to 4:30 PM	West Linn City Hall
Commission Meeting	June 6, 2018 1:00 to 4:30 PM	West Linn City Hall

ACTION ITEMS

Action Item	Who	Date
1. <u>Action Items</u> <ul style="list-style-type: none"> Prepare draft Action Items memo and distribute to Commission Members 	Turner (OS)	Complete
2. <u>Website</u> <ul style="list-style-type: none"> Bring up WFLC Project Website – post background materials Post meeting materials and presentations to project website 	Turner (OS) Turner (OS)	Complete Written materials posted, presentations pending

ATTENDANCE

Commission Members Present:

Martha Schrader (*Clackamas County*), Sam Brentano (*Marion County*), Stan Primozych (*Yamhill County*), Betty Dominguez (*Metro*), Jack Giffen Jr. (*Confederated Tribes of Grand Ronde*), MG Devereux (*OPRD*), Karen Homolac (*Business Oregon*), Russ Axelrod (*West Linn*), Scott Starr (*Wilsonville*), Joe Bernert (*Wilsonville Concrete and MIC*), Danielle Cowen (*Clackamas County Tourism and Cultural Affairs*), Sandy Carter (*Willamette Falls Heritage Foundation*), Sen. Rob Wagner, Rep. Andrea Salinas, Rep. Mark Meek, Rep. Julie Parrish

Facilitation and Project Team:

Turner Odell (*OC*), Andy Cotugno (*Metro*), Trent Wilson (*Clackamas County*), Michelle Giguere (*Summit Strategies*), Kristine Evertz (*Summit Strategies*), Lance Heisler (*Coates Kokes*), John Williams (*West Linn*)

Other Attendees

Doug Riggs (*West Linn*), Pat Duyck (*USACE*), Dan Mahr (*Sen. Merkley's Office*), MeeSeon Kwon (*Sen. Wagner's Office*), Mini Sharma Ogle (*PGE*), Brooke Berglund (*PGE*), Mark Ottenad (*Wilsonville*), Michael Karnosh (*Confederated Tribes of Grand Ronde*), Marcus Sis (*Rep. Meek's Office*)

MEETING NOTES

Brief Summary Of Key Themes and Discussion

Welcome, Overview and Introductions

Mayor Russ Axelrod, City of West Linn, welcomed the Commission to West Linn and their City Hall. He provided a brief history and acknowledged the many individuals and organizations that have moved the repair and reopening of the Locks to this point.

Facilitator Turner Odell from Oregon Solutions reviewed the agenda, and gave an overview of meeting expectations. Turner then led the group through a round in introductions including Commission members and others in the room. The project management team members in attendance were introduced. The project management team will provide services to the group including technical support and media, assistance in creating a governance model for transfer of ownership, and support in identifying revenue sources. Oregon Solutions will house the project on their website which will include a summary of the purpose of the Commission and post meeting materials from each meeting (agenda, memos, etc.) The link will be sent out when the page goes live.

Background on the Locks and the Commission's Charge

Sandy Carter (Willamette Falls Heritage Foundation) led the Commission through a brief history of the Willamette Locks. Her presentation covered the early days of the Locks in the late 1800's through its purchase by the U.S. Army Corps of Engineers (USACE) in the early 1900's to its more recent history of limited use and closures and community efforts to repair and reopen the Locks.

Trent Wilson (Clackamas County), led the Commission through a primer on Senate Bill 256 and the Commission's task, including some background on the working group created as result to explore strategies to repair and reopen the Locks. He described how the Corps was moving forward with a draft Disposition Study that concludes that the Corps should no longer own and operate the Locks.

The Commission is tasked to devise a transfer plan, identify a transferee, and work with the USACE to consummate a transfer of ownership . If a transferee is to be appointed, USACE will work with the Commission on the transfer and invest in care of the facility to ensure appropriate repairs for the Upper Willamette River Pool. If a transferee cannot be identified, USACE Disposition Study recommends permanently closing the Locks by installing a concrete bulkhead.

The key assignments for the Commission are listed on page 3 of SB 256.

Commission members asked several questions. There was a question regarding the timeline for the Commission to accomplish its work Staff reported that the Bill creates a 4-year Commission, but it is currently funded for 2 years. The timeline for USACE's decision is uncertain, but will be based on the work of the Commission. There was also a question regarding the amount of repair would it take to make the entire system work correctly. Staff provided the following estimates:

- The work USACE is willing to do for a transfer of ownership is around \$1.8 million
- To install a bulkhead and permanently close the Locks would run approximately \$2.6 million,
- To repair the Locks entirely would cost over \$9 million.

USACE Disposition Study - Pat Duyck, (USACE)

Pat Duyck explained the USACE Disposition Study is currently under review. Identified initially in 2008 during a inventory of their critical assets, observed and potential problems/concerns with the gudgeon anchors holding the gates at the Willamette Locks facility led to its eventual closure. Other issues noted in the study were seismic risks and seepage. The Disposition Study has been signed by the Division's leadership and has been transferred to headquarters for final review. USACE will continue to include the funding for the Locks in their annual budget to maintain caretaker status of the facility to the extent they are able to for a 5-year stretch.

Commission members asked a number of questions – listed below with responses.

- It was asked whether Congressional de-authorization was needed?
 - USACE already has the authority to dispose through GSA; it is not believed that receiving the authority for a sale will be a monumental challenge.
- There was a question whether the \$9 million figure for repair was all inclusive (including gate repair, seepage, seismic retrofitting). This number is important for funding asks.
 - The Corps responded that there are different levels of repair that have been identified. Near term replacement of the anchors would be approximately \$3 million, but could be higher because Lock 3 is located under the control booth which would require dismantling in order to get access, this would increase costs to around \$5 million. The estimated \$9 million would address seismic and seepage, but to get everything up to USACE standards (cameras, controls, monitoring, etc.) the cost is estimated above \$20 million.
- How do the Locks compare to Cascade Locks in terms of operations and funding?
 - USACE does not operate Cascade Locks, so comparison is hard. Size wise they are similar.
- Is 'Run of River' possible with the gates being a part of the FERC dam?

- Potentially, but this would change the level of the upper pool which would in turn have an impact on ESA listed species. Because of this, the ‘Run of River’ option has been primarily ruled out.
- Are all gates necessary for operation?
 - Yes, you need all six to be operational without total rebuild of the current system.
- Is there a developed document that profiles other projects that have gone through this and the entities they have been transferred to?
 - Yes, the prior Locks working group looked at several case studies and those materials can be shared with the group.

Economic Benefits Study - Andy Cotugno

Andy Cotugno of Metro, reported on the economic benefits study conducted by EcoNorthwest. The report presents three scenarios: a public oriented option, a private option, and a do nothing option (baseline comparison). There are certain benefits that have clear quantifiable dollar values, others are more indirect and are harder to quantify. Public and private ownership both show more potential for benefit than cost, and the bulkhead option only results in cost. *(The full report was provided to Commission members and will be posted to the project website along with the presentation slides.)*

The study and presentation enumerated quantifiable benefits and described potential but unquantifiable benefits in the areas of transportation, recreation, tourism, redevelopment and resiliency. The Corps clarified that these benefits do not create a sufficient federal interest from the perspective of USACE but there could be federal interest from other agencies (e.g., the National Park Service).

A question was asked whether infrastructure (e.g. ports) currently exist along the river to support commerce through a reopened Locks. It was reported that currently, there are port facilities to support aggregate transportation but there would be a need to create facilities to support other materials/commodities (e.g., steel).

For purposes of the study, the cost for necessary repairs to operate the Locks (and realize associated benefits) was estimated at \$5.7 million. By comparison, the cost to install a concrete bulkhead and permanently close the Locks would be \$2.5 million with no further benefits. These cost estimates were based on information from USACE.

Initial Identification of Values to Guide Governance and Finance Principles

The Commission undertook an exercise to explore some initial high level ideas and values to guide the project team’s effort to develop some draft evaluation principles and options regarding governance and finance of the Locks for discussion at future meetings of the Commission. Commission members were asked to work in pairs and develop several points to share with the group. Some key ideas that emerged included the following:

- Ownership and operation. Various ideas were explored around ownership and operation of the facility:
 - Public ownership was a common theme for many – but including many different possible configurations - e.g., Public ownership and operation, or public ownership

- with a private operator (or other public/private partnership), or tribal ownership with public operation.
- Strictly private ownership and operation was also an option – especially if the alternative would be permanent closure.
- There could also be public/private partnership in developing ancillary facilities/accommodations/recreation facilities/etc.
- It was suggested to take advantage of available existing expertise in running this type of large facility when seeking an owner/operator entity.
- Is there potential for USACE operation after transfer? What could USACE role be after transfer?
- Fiscal/funding issues. There were various ideas floated about funding repair and operations, including:
 - Create a low, broad, tax base (e.g. \$.05/household); free for public use, small fee for private.
 - Special district could be an option, but a challenging one.
 - Voters are not likely to support tax district for this purpose, what other models are there?
 - Ask all Oregonians for a donation, sell license plates.
 - Historically there have been 3-4 FTE to operate the facility
 - River is an important option to move freight, remove bottlenecks, etc. would be important to coordinate Locks timeline with RTP timeline and with possible transportation funding measure.
 - Connect Oregon funding for capital needs and look elsewhere for operations.
- Other values/concerns were identified as important considerations including:
 - Resiliency (e.g., post Cascadia Fault earthquake) is a very important component of this decision.
 - Immediate concerns is the stretch of the river from the Locks to Newburg, future concerns include farther stretches of river.

Process Housekeeping and Wrap-up

Operating Principles. Turner wrapped up the meeting by referencing the draft operating protocol and principles document in the Commissioners' materials. The group is tasked to review the document to approve at the next meeting.

Ex Officio Participants. It was pointed out that there are parties that have not been appointed to the Commission that seem crucial to the discussion moving forward – e.g., USACE and PGE. He suggested that individuals from these organizations could be acknowledged as 'ex officio' participants. The group also identified Office of Emergency Management, Oregon Marine Board, and Department of State Lands as potential additional participants.

The meeting finished with group nominations for a chair and vice chair. Nominated members included Russ Axelrod, Sandy Carter, and Martha Schrader. Leadership will be appointed at the next meeting.