



November 30, 2020

Dear Oak Lodge Governance Project,

Everyday Oak Lodge Water Services District (OLWSD) provides essential water services to the community. The District's commitments are to protect public health; provide excellent customer service; make smart investments and keep rates affordable; and keep our streams and rivers clean for all our customers now and into the future. With the Board of Director's customer service focus squarely in mind, we thought it was incumbent upon us to convey to you our thoughts regarding the recently awarded Metro grant.

In the original grant application submitted to Metro for the 2040 Planning and Development Grant by the Incorporation for Equity Inc. the project was described as a study of the "economic and governmental potential to incorporate a large suburban area into a new and/or existing City." The geographic area of interest was the "...unincorporated area between the cities of Milwaukie and Gladstone, the Willamette River, and the Oatfield Ridge (generally the area serviced by Oak Lodge Water Services District)." The application went on to add "...though we would consider the potential of including unincorporated areas further east to Happy Valley depending on cost/ benefit." The initial grant request was for \$125,000 of which \$120,000 was awarded with \$20,000 going towards the cost of administering the project.

Clearly, for the OLWS Board this is an important conversation for our customers regarding the future of service delivery. There are a number of overarching Board values used during decision-making which are important for you to know about as the Board reviews the initial information, regarding this grant, currently available to our customers:

1. The importance of accuracy of information given to our customers.
2. Transparency in discussions of issues important to our customers.
3. Informed customers are better able to make decisions on items that matter to them.
4. The Board is a steward of the customers' assets and has a duty to be thinking of all their customers.
5. The Board makes decisions balancing both the current and the future needs of the District.

Given those values, the Board thinks there are two main areas which need to be addressed as the governance study is started. First, understanding the issues to be addressed will shape the models selected for study and the criteria that will be used for making recommendations and decisions. Second, public input is an essential aspect in drafting the governance alternatives being studied. It informs every step of the way throughout this study: the problem definition, the data needed to create the models to be studied, and the criteria used to make any recommendations and decisions. In addition, it would be important for customers to understand

the full decision-making process, who is involved and where they could get information and give input every step of the way.

Currently, from the written work scope given by Metro to ECONorthwest (the consultant hired to do the governance study) the conclusion can be drawn that public input is to occur after the report is developed. It appears as though the District's customers will not have an opportunity to have input on either the problem definition, nor on the data collection, nor the decision as to what models really need to be studied, nor the evaluation criteria for which models rise to the top in terms of success at addressing the problems. The work scope clearly identifies those conversations will happen later, after the identified models have been completed. How will you know the suite of models identified for study are sufficient, or complete if customer input occurs after the report has been completed?

Moreover, the timing of the beginning of this process is terribly unfortunate given the approaching holidays, COVID, and the elections. It is not an ideal time to truly get the public participation necessary to ensure for our customers the important topic of governance gets the input it deserves. Typically, a project like this would not be rolled out in November or December but would be started in January. Missing public participation at the beginning of this project increases the likelihood of inadequate problem definition. Consequently, key data may be missed and an incomplete range of models result. Subsequently, this will lead to a conversation with the District's customers which lacks the true specificity of information needed by them to make informed decisions.

The Board is genuinely concerned about transparency for our customers to understand what is going on, why it is going on, and that they have an opportunity to provide comment. In our opinion, it is the only way to perform a study like this.

The Board strongly recommends rescoping the project to be more inclusive and with more public involvement to develop the alternatives and the evaluation criteria, with a time frame that starts after January 1, 2021.

We look forward to continuing this conversation with you and welcome a response back.

In service of our customers,

DocuSigned by:

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Kevin Williams

President, Board of Directors

Oak Lodge Water Services District