

GARY KRAHMER

TAPE 6, Side 1

January 17, 1996

M.O'R.: This is Michael O'Rourke for the Washington County Historical Society continuing the oral history with Gary Krahmer at his home today on January 17th, 1996.

When we left off last time we were talking about the formation of USA, which came, I guess, right on the heels of your finally getting Aloha Sanitary District up and running and some sewage plumbing put in out there and whatnot.

G.K.: Right.

M.O'R.: In fact, I think where we left off was - as we discussed a minute ago - is right at the point where there was this large ballot title that people had to vote on to authorize the formation of USA, and I think you talked a little bit about the bond issue, too.

G.K.: Right.

M.O'R.: \$36 million was it?

G.K.: Yes. A \$36 million bond issue. In fact, the largest bond issue that had ever been sought in the state of Oregon at that particular time, which was voted on and approved by the electorate in May of 1970.

M.O'R.: So that got you off and running. You must have confronted an interesting task at that point, because you had all of these various sanitary districts in the surrounding area, one of which, at least, you were fairly familiar with, but how to integrate all these little pieces of the puzzle and decide what to do

in the interim, and then also the big capital construction after that.

So what did it look like to you when the bond issue passed and you had some money and were ready to roll? What did you do next?

G.K.: Sure. We knew at that point in time where the most serious stream pollution was, given some of the State's examination of various tributaries of the Tualatin River, and determined that the most severely polluted areas were in the so-called Fanno Creek Basin, which lies south of Beaverton, includes Beaverton, lies south of Beaverton, down through Tigard, into the Tualatin area. We knew those were the most severely polluted areas, so ...

M.O'R.: Was that because of population density in that area?

G.K.: Yes. Population density, and a number of homes that had been built prior to any sewer service that were still on septic tanks. And that particular drainage basin goes well into Multnomah County, up to the top of the so-called Tualatin Hills, and that entire area drains into this so-called Fanno Creek drainage basin. And there were a lot of homes in there, a lot of them not on a sewer system, and the treatment plants in that area were old and some of them were not very well maintained, and they were not doing as good a job as the newer plants such as the Aloha plant and the Hillsboro systems were doing.

So we concentrated our efforts to improve and start the construction of this major capital investment for sanitary sewers and treatment plants in that area.

The plan called for the construction of one wastewater treatment plant to serve the entire area east Beaverton, West Slope, Tigard, Tualatin - Sherwood, even involved in that wastewater

treatment plant. So we concentrated our efforts by first upgrading the existing plants. Did that for two reasons: One was to reduce the amount of pollution that was being discharged to the receiving streams, and secondly in order to lift the building ban that had been placed on the area so development could continue.

So we awarded contracts, multi-million dollar contracts, to upgrade existing wastewater treatment plants, full well knowing that within five or six years those plants would become obsolete and we would have to take them off line. But it was felt politically that we needed to do that in order to minimize the serious pollution that was occurring and also provide for jobs, of course, through development and construction. So we upgraded - as I recall we upgraded four of those smaller treatment plants in that basin.

While we were doing that we were designing and locating ...

M.O'R.: The Durham plant?

G.K.: The Durham plant, right, eventually ended up where it is on Durham Road, and we were also designing a major interceptor sewer that would follow Fanno Creek all the way to its ultimate end and intercept, then, all of the wastewater that was flowing to that area, ultimately taking that to the Durham plant.

M.O'R.: So the individual little plants that you upgraded immediately all already were plumbed to drain into Fanno Creek?

G.K.: Yes. They were all situated either on Fanno Creek or on a tributary of Fanno Creek. So it was - plumbing-wise it was fairly simple to intercept those with a large sewer that was ultimately built.

Also at that time we knew that the entire program was going to cost significantly more than \$36 million, but it was felt that we

should start with that, get some of the projects completed, and then go back for another bond issue. Well, it was in 1970, or '69, that the Environmental Protection Agency, the federal arm of the government, was enacted by Congress, and a part of that program provided for grants to be made to communities to assist in improving their wastewater facilities. And we were fortunate to have been formed when USA was and proceeded forward when it did, because we were able to take full advantage of the federal grant program through the EPA for several years following - Richard Nixon, I think, was President at that time. He had frozen the funds for about three years, so it wasn't until 1973 that we started getting federal grant money. But it really helped in terms of financing the system, because they were awarding 75 percent grants, so we were able to take advantage of our 36 million and parlayed that into something close to or over \$100 million through the federal grant program with our \$36 million. So we were very fortunate. We didn't have to go back to the people. Matter of fact, USA has never gone back to the people for another bond issue since that original vote in 1970.

M.O'R.: Well, that's impressive.

G.K.: Yeah. That was extremely fortunate. And the grant program continued until about 1985 or -6, something like that, and USA's program allowed for it to build the big dollar items, the big wastewater treatment plants, the big interceptor sewers, during that time. So we got grant money on practically everything we did at that time.

M.O'R.: Well, that sounds lucky for Washington County.

G.K.: Yes. The timing was so good.

M.O'R.: Really. I'm wondering if, in terms of the design of some of these new facilities and the siting of them - maybe the Durham plant would be a good example - but can you tell me what sorts of problems or obstacles that existed there and why you would decide to build, say, three large plants instead of a number of smaller ones?

G.K.: Right. That's always a somewhat complex political issue, if you will. The original master plan that provided for the USA system identified the Durham plant to have been located at the confluence of the Tualatin and Willamette Rivers; in other words, down close to Lake Oswego. And we initially sought to locate the treatment plant there. Frankly, even looking at it today it would seem as though that would have been a very wise decision, because it would have served considerably more territory, Lake Oswego being one of those territories, as well as some of the unincorporated areas down the Tualatin.

Well, we made an effort to try to locate the facility there; however, politics got involved, and it was at that same time that the State of Oregon was interested, shall we say, in developing a Willamette Greenway - in other words, a park-like situation or setting.

M.O'R.: And you were probably going to be right on the bank of the river?

G.K.: We were going to be right on the bank of the river, and we were told in no uncertain terms that there would not be a wastewater treatment plant in the Willamette Greenway. So we backed off of that location.

M.O'R.: And you couldn't just move it back away from the river?

G.K.: No. We just couldn't move it back partway because then we encountered significant opposition from Lake Oswego and the folks in that area. And of course that's in a different county, so our County Commissioners, who were the board of directors of USA, would have had to work with the commissioners of Clackamas County, and the politics were such that there was no way the Clackamas County Commissioners would have ever approved the siting in their county. Just no way.

M.O'R.: Even though - well, would they have obtained any benefit from this plant?

G.K.: If it had been located there, I'm sure they would have sought benefit from it. Yes, matter of fact, even today the USA does provide some wastewater services for Clackamas County. Obviously that came after the plant was situated where it is today there on Durham Road.

So yeah, there would have been some benefit, but in their minds at that time the benefit did not outweigh the negative aspects of the facility.

M.O'R.: You said it would have served a larger area. The reason it couldn't serve that larger area from Durham was because you were uphill from there?

G.K.: Yes. Yeah, the basic theory of wastewater collection is use gravity to move the wastewater through the system, so you're always building from upstream to downstream. There are some situations where you have to pump the wastewater because topography just simply doesn't allow you to use gravity a hundred percent. So there are situations - land use patterns also tend to require pump stations from time to time in order to move wastewater from one

drainage basin to another in order to get it to the treatment plant. But if we had to do that in that area, it would require a real large treatment facility. Currently Lake Oswego - all of Lake Oswego's wastewater goes to the City of Portland, which is done through a gravity system. So that's the proper way to go; if you can avoid the pump station, you should do, because they tend to fail. The power goes out, you know, the pumps shut off and then you're going to have an overflow of wastewater someplace. So it's always desirable to use gravity to move the wastewater.

M.O'R.: And so when you say use gravity I suppose just as a technical detail that you maintain a gradient along the entire run of the pipe pretty much?

G.K.: That's correct. Yes. All the piping is placed on a slight slope so the water will flow naturally.

M.O'R.: So then you - were there any problems siting it at Durham?

G.K.: Really there weren't. Surprisingly, the property owners - there were, as I recall, four property owners involved in that site, and all of them were fairly willing sellers, if you will. Not to say we didn't have problems with adjoining property owners; we did. We were situated adjacent to a dairy farm, and then a developed neighborhood, a school, and we had problems with some of those neighbors, although looking at the difficulties they have today in siting certain facilities, this was a piece of cake, quite frankly. It really didn't take all that long to acquire the property and have some meetings with the neighborhood. We had some problems after construction, and we can talk about that later if

you'd like to, with some of the neighbors there because of noise and odor. Or we can talk about it now. Whatever you choose.

M.O'R.: Well, yeah, why don't we go ahead and just ...

G.K.: Okay.

M.O'R.: ... explore that for a moment.

G.K.: Sure. The major plant, the Durham plant construction started in 1974. Maybe '75. And - no, it was '74. I do recall that. And of course there was just a bevy of activity down there in order to get this treatment facility constructed in a two-year period. The original plant bid was \$26 million, which today would probably be \$75 million. We thought we got a tremendous bargain, and I still think today we did, from this contractor out of Utah, as I recall, that got the bid.

There was a tremendous amount of activity, and we had some difficulties with some of the neighbors down there because of the noise and dust associated with construction, and I do recall that I and the General Manager at that time had visited with one of the most loud neighbors down there on a couple of occasions who happened to have - he was an attorney. And of course we were concerned about the filing of claims for inhibiting his lifestyle.

So what ended up, actually, there were three properties adjacent to the treatment plant, ranging in size from five down to three acres, and because of the continuing difficulty we had with those folks, even after we started the facility - put the facility into operation, we still had some noise problems and periodic odor problems. And the continuing difficulty resulted in USA buying those three properties and moving those folks, then, to another location of their choice, which obviously cost some money, but that

was felt to be the best thing to do because those properties were identified for use in future expansions of the facility. And looking back on it today, it certainly was the wise thing to do, because USA already expanded into those properties.

M.O'R.: And so that was - one of the three properties was the attorney's land, then?

G.K.: Yes. That's right.

M.O'R.: And the two others were other neighbors that sort of were equally disgruntled, or partially disgruntled?

G.K.: Well, they were less vocal, but they were delighted that we offered to buy them out at a fair price, just to get away from the facility. Because there's a lot of traffic activity associated with a treatment plant - employees coming and going, and hauling of chemicals and materials to and from the plant, so they were happy to get away from the traffic situation there.

M.O'R.: What was the attorney's name; do you recall?

G.K.: Willis West. Willis has since passed away, but he was a fairly well-known attorney in the Portland area, and a good attorney.

M.O'R.: You had some battles with him?

G.K.: Right. At one time - as I recall, at one time he was the attorney for Multnomah County. So he was an interesting individual, to say the least.

M.O'R.: Did you have personal dealings with him?

G.K.: Yes, I knew him personally, through the treatment facility and ...

M.O'R.: Right. Through the problem that you encountered?

G.K.: Right. He became so irritated one day during construction that he walked over to the construction site and confronted the construction supervisor, and they literally got into a fist-fight. I don't know who won the fight, but the General Manager and I visited Mr. West, oh, two or three days after that event, because it was causing quite a stir, and he showed us some of the bruises that he had acquired through this fight. [laughing] I couldn't believe that happened, but it did. He was pretty - shall we say he had a short fuse, and he was very upset. And I can understand it, because when we visited his home he was experiencing some vibration from some of the air blowers that were operating in the treatment plant, and you could actually feel periodically vibration in the home, and obviously he was experiencing some.

M.O'R.: Just from the routine operation of the plant, then?

G.K.: Yes. Yes. Right. So it was an interesting time, and we learned a lot of things at that time.

M.O'R.: Any problems with the construction of the plant? Did the contractor work out all right and everything?

G.K.: The contractor worked out very well and did a very good job on that treatment facility. All of that is still in use today except for handling of the solids. A new method has been installed to handle solids, but the rest of the facility is still in operation and still in very good condition.

The contractor - and this was not an unusual thing - the contractor did file a claim for extras, if you will, on the project, and as I mentioned, the contract price was \$26 million, and he filed a claim for an additional \$13 million, and of course we denied that. We acknowledged that he had some extras coming

because of extra work that was necessary, but we ultimately settled that claim for \$450,000, which we thought was very good.

M.O'R.: It is compared to 13 million.

G.K.: Yes, right. Right. It was not unusual in those times for contractors to file claims because of the 75 percent grant money from the federal government. I'm retired, and I can say I honestly believe that the owners of projects did not fight as hard as they do today because they knew in the back of their mind that if these claims were awarded, or some portion of them awarded, they were still going to get 75 percent of the money to pay that from the federal government.

M.O'R.: Right. So their exposure was only for 25 percent of whatever it was?

G.K.: Yes, exactly. Right. But that's all changed now. There's no more grant program for facilities, so people are, shall we say, paying a little more attention.

M.O'R.: Well, it sounds like that attitude wasn't prevalent at USA, then?

G.K.: No. We - our attorneys are provided for by the County, and one of their attorneys was delegated to deal with USA issues, and he made himself very knowledgeable about the EPA program and about construction methods and was very well schooled, if you will, on his own volition, on those sort of issues. So he dealt with all of the claims that we had and did an excellent job. We had other claims on the Rock Creek plant that we had to deal with, but all in all we did a really good job. When we did settle a claim for extras, he would negotiate with EPA on how much they were going to pay, and I can recall he and I taking some trips to Seattle where

the Northwest office of EPA is located and dealing with those people sometimes two days at a time in order to convince them that they owed part of this money to us, and we were reasonably successful.

M.O'R.: What was your attorney's name?

G.K.: Matter of fact, he's the Chief County Counsel of Washington County at the present time, John Junkin. He's been with the County for 20 years now.

M.O'R.: And so you also started working on the Rock Creek plant somewhere around the same time?

G.K.: Yes. We started the initial design work. We did - first we did what we call a facility plan, and what that plan does is more specifically identify the area that you're going to be serving with this sewer collection system and treatment plant; it identifies the sizing of the system that is necessary in order to provide the service for existing and future development. And we started the facility plan for Rock Creek about 1975, and then following the completion of that plant we directed our engineers to start designing the treatment plant as well as the sewer collection system that was to be built pursuant to that plan.

The Rock Creek site, that site was identified in the original master plan, so we were able to acquire it based on what the original plan suggested. It was an interesting acquisition because the individual that owned the property was kind of a hermit-type individual. Never saw much of him; he pretty much was self-sustaining on the property, 70-some acres. Had a few cows and a few horses and a few chickens, you know, and kind of lived back off the road there on the river road.

And we encountered some interesting things after we acquired the property and started construction, like dead animals buried around the area, and it was kind of a mess. And there were a number of people to whom he owed money, and it took a year-and-a-half to settle all the claims that were filed when people found out that USA was acquiring the property.

M.O'R.: So there was some accumulated debt there?

G.K.: Yeah, a lot of legal work to get a clear title on the property. But that didn't slow us down, because we had a right to enter the property. We sought a right - when we recognized there were going to be a lot of claims and it was just going to take time, we went to the Court and sought a right of entry. And the Court granted that, so we were allowed to enter the property, remove him from the property, because he refused to move.

M.O'R.: Oh, the ...

G.K.: Oh, yes. One of those situations.

M.O'R.: He didn't want to sell, then?

G.K.: No, he didn't want to sell. No, no.

M.O'R.: And so the County condemned his land?

G.K.: I'm trying to recall. I think that we received authority to file condemnation, but I'm not sure that we ever actually filed it. I think ultimately he realized, okay, they're going to get the property, so he tried to make the best of it. And as I recall he ended up with at least enough money to buy some small acreage out by Gaston and was able to ...

M.O'R.: Sort of set himself back up again?

G.K.: Get back into a situation where he could live, yeah.

M.O'R.: But you had to actually forcibly remove him?

G.K.: Yes, we did, as a matter of fact.

M.O'R.: Were you present for that?

G.K.: No, I stayed in the office that day. [laughs]

M.O'R.: That's what I would have done, too.

G.K.: No, the sheriff dealt with that, yeah. Anytime we would encounter difficulties with property owners, be it on the purchase or property or the acquisition of easements, we'd call the sheriff, and they'd come out and assist us in dealing with the property owner.

I can recall one situation in Aloha before I had arrived there. They were acquiring easements for the construction of sewer lines, and the contractor got to this individual's property line, and the individual come out of the house with a shotgun. So the contractor said, "I stop right here." So they called the sheriff out, and the sheriff took care of the situation, and the contractor proceeded with the construction. That doesn't happen very often, but every once in while you get an individual that gets pretty stubborn.

M.O'R.: What was the name of the hermit, then, that owned the property?

G.K.: His name was Horniker. I can't recall the first name, but his last name was Horniker.

M.O'R.: Well, the various claims that were filed against his land, then, I suppose those were paid out of what would have been his proceeds for it?

G.K.: Yes, that's correct. The way that ended up was that USA paid the fair market value price, the appraised price, to the court, and the court disbursed the money to these claimants once

the claims were validated. And what was left over, Mr. Horniker got.

M.O'R.: And so the price was - sounds like he didn't play a great role in determining the selling price, then?

G.K.: No, he didn't play any role, because ...

M.O'R.: Because he refused to participate.

G.K.: ... he refused to participate. And it was standard practice, and it is today, any time a municipality acquires property they have an appraisal made of the property, to assure the paying public that they're paying a fair price, not too much, and also, then, the property owner gets a fair deal on the property.

[end of side one]

GARY KRAHMER

TAPE 6, Side 2

January 17, 1996

G.K.: We needed to acquire an easement in order to build a sewer system to bring wastewater from Sherwood to the Durham plant, and we had to go through a farm where this individual was raising hogs. So this individual was opposed to granting us an easement, so we stopped and received a right of entry from the court in order that we could go in and build this system. And we had that easement area appraised, as we did all acquisitions, be it through an easement or actual purchase of property. I can't recall the exact number of what the appraisal was, but it wasn't a large number, maybe \$1200 or \$1500, and this individual refused to accept that, claiming that the value was greater, even though it was through farmland. So he chose to contest that through the court, and he sought and the court granted a jury trial. And we knew we were in trouble then.

M.O'R.: Right.

G.K.: The jury awarded that individual \$10,000 more than the appraised value of the property, and it was an amount that had we chosen to appeal that it would have cost us that much more in attorney fees, because we were obligated to pay his, the property owner's attorney fees as well as our own attorney fees. So the board decided, "Okay, we'll just pay it and go on with our business."

So it can happen, but it's pretty unusual. But we learned that for whatever reason any time you get a citizen jury, they tend

to lean in favor of the individual property owner fighting city hall, if you will. And in those rare cases where we had juries, we always ended up paying a lot more than the appraisal - the appraised value of the property. Fortunately, we only had about four or five during my tenure at USA.

M.O'R.: Yeah, as a matter of fact the one and only time I've been on jury duty I sat on a jury that was hearing a case exactly like that, and I learned that fact of life in that situation, because I felt that the property owner in this case had offered almost no evidence to support his claim of a larger value, but that didn't matter to most of my fellow jury members.

G.K.: No. And what's ironic about that is that you have members on the jury who are paying the bills. They are paying the bills through service fees or whatever, and - I guess I could never understand that, but it's the way people are, I guess.

M.O'R.: Well, I think, you know, it's just easy for people to relate that single guy there fighting city hall, so to speak.

G.K.: Yes, it is. That's right. Not realizing, "Oh, my sewer service bill's going to go up a dollar a month or whatever in order to help pay this bill."

So we were progressing with Rock Creek. Did you want to continue with that?

M.O'R.: Sure.

G.K.: So we acquired the property and started awarding contracts after the designs were finished for the construction of the Rock Creek treatment facility as well as two major interceptor sewers, one traveling from the treatment plant all the way up Rock Creek to the Somerset West development, which is out on Highway 26,

and then another large leg of collection sewer going up Beaverton Creek, which actually conflues with Rock Creek in the Orenco area, and going all the way to the city of Beaverton, with that sewer system. Major pipe insulation projects there.

One of the - at the Rock Creek treatment plant, in order to achieve gravity flow, the slope of the land in the Tualatin Valley is relatively flat, so in order to achieve gravity flow the sewer coming into the plant was at a depth of approximately 40 feet below the surface of the ground. So we had to build a pump station in order to lift the sewage from the collection system into the treatment plant. And as I recall that pump station is about 50 feet deep, and this was one of the larger claims that we experienced on the Rock Creek project, where the contractor built was is called a caisson, which is a round concrete silo, and then he digs the dirt out from inside, and this thing slides down.

M.O'R.: Right. I've seen some of those sections of that, I think.

G.K.: Yes. Right. Well, they encountered some difficult soil conditions that didn't allow this caisson, as they call it, to slide down as he was digging out in the middle. It got hung up, and it wouldn't go down, even though it weighs several hundred tons. So they got together with the engineers and soil consultants and all kinds of folks and decided to inject some material along the outside of this caisson in order to try to make a slick surface so this thing would slide. Well, they really had to struggle with that, and they had to dig out more material around the outside, and finally they got it to move, but there was a claim. The pump station bid, as I recall, was about \$3.4 million, and that contrac-

tor filed a claim at least that much if not more once it was finished. We settled that, as I recall, for about \$800,000, which was a lot of money compared to the original bid. But he did without question have significant difficulty with that project. So that was one of the projects where Mr. Junkin, the County attorney and I, spent two days in Seattle struggling with EPA to get them to contribute to the project, and we ultimately ended up getting them to provide \$600,000 towards that claim; so we felt we did a pretty good day's work by working with them on that.

M.O'R.: At what time was the Rock Creek plant finished? Or what else were you going to say?

G.K.: The finish of the facilities. The Durham plant was finished, as I recall, in October of 1976, and then Rock Creek was not very far after that. Matter of fact, it was about June or July of 1977. So we had both projects going at the same time, and both of them came on line within a 12-month period of each other. Yeah, and we were off and running. We thought we'd done great work.

During that time also we made substantial improvements at the Forest Grove treatment plant. It was a very old facility, having been built in the 1940's sometime. So we did about three or four million dollars worth of improvements at Forest Grove.

Also at that time we made minor improvements to the Banks treatment plant, the City of Banks, which came under USA jurisdiction, as well as the City of Gaston treatment plant. Ultimately those two plants were taken off line and the sewage brought to the Forest Grove plant through pipelines that were ultimately constructed.

M.O'R.: So the Forest Grove remains today as stand-alone plant?

G.K.: Yes, that's right. There are - today there are - I think five; let me see. We have Forest Grove, we have West Hillsboro, we have Rock Creek, and Durham. Four.

M.O'R.: Four. Okay.

G.K.: Four stand-alone, will be there for quite some time treatment plants.

M.O'R.: Right.

G.K.: Although Forest Grove, about five years back we constructed two 24-inch pipelines from the Forest Grove facility to the Rock Creek facility, which gives USA a lot of latitude in transferring waste back and forth between those two facilities so we have full utilization of the treatment facilities.

M.O'R.: So if you've got an overflow at Forest Grove you can pump it to Rock Creek and even vice versa?

G.K.: Right. And one of the other ideas there was that because the Rock Creek and the Durham plants now produce water of great - very good quality, it is felt that that water could and should - at least part of it should be reused for irrigation purposes. So that pipeline also we had the idea that we could take treated water from the Rock Creek plant, push it back towards Forest Grove into some of the agriculture area and provide water for irrigation purposes.

There hasn't been a great deal of success in doing that so far, and the reason is that the Tualatin Valley Irrigation District provides irrigation to most all of those properties. There will be some - there is some usage now, like some of the properties that USA leases to farmers, like the west side of Jackson Bottom, 300 and some acres west of the Forest Grove plant, which is owned by

USA. Those properties all use treated or reclaimed water. So there are some uses today. Also a new golf course is supposedly going to be constructed just west of the Reedville area and south of Tualatin Valley Highway, and they are committed to use reclaimed water from the Rock Creek facility.

So we've made substantial progress over the years.

M.O'R.: It sounds like it.

G.K.: Notwithstanding some lawsuits and those sorts of things.

M.O'R.: Right. Well, of course there's the big one in the mid-80's, which we'll talk about, which we could talk about maybe in a little bit.

G.K.: Sure.

M.O'R.: Well, in terms of this early history of USA after you took over, I guess an aspect that we could talk about briefly at least would be the organization of USA. I mean, you became the head of the organization? Oh, no. That's right. We talked about that last time. There was another person that was in charge for a brief period, right?

G.K.: You mean the General Manager of the organization?

M.O'R.: Right, the General Manager. Yes.

G.K.: Yes, actually the first General Manager, as I mentioned, was Dan Potter, who had been the City Manager of Forest Grove. He quit in about 1975. He quit, and it was because of politics. There was a new board, or enough new persons elected to the Board of County Commissioners, and Mr. Potter and those new members didn't see eye-to-eye. So he was asked to resign and he

did, ultimately, then, going to the City of Wilsonville and being City Manager there, and from there he retired.

The individual that the board hired at that time - I'm sorry, that's incorrect. Mr. Potter was asked to take the County Administrator's job. I got confused there. Yes, so he agreed to do so, and that was in 1975. He didn't leave the County Administrator's job until about 1980. Then he went to the City of Wilsonville.

On Mr. Potter going to the County Administrator's position, the board hired an individual by the name of Joel Wesselman from the Grants Pass area to become the General Manager of USA, and he came to USA in about November, as I recall, of 1975. I served as interim General Manager while the board was going through the hiring process. And I'm getting ahead here. The board did hire an individual between Mr. Potter and Mr. Wesselman. His name was John Bell. And unfortunately Mr. Bell didn't hit it off with the board, so they let him go just before his six month probation was finished.

M.O'R.: What about yourself? Did you hit it off with Mr. Bell?

G.K.: Yeah, I got along with Mr. Bell fairly well, but unfortunately he was an individual who couldn't help but show favoritism, and I wasn't necessarily one of his favorite employees, so I spent a lot of time in the field during his tenure. And when he was there I was also in charge of operations, so I had just cause to spend time in the field.

On Mr. Bell's departure, at the request of the board, then they hired Joel Wesselman from the Grants Pass area. A young fellow, and a lot of energy, and a really smart, sharp individual.

And he was able to move the construction projects along very well, and also worked very well with the EPA in acquiring additional grant money for various projects. And as I mentioned, a very aggressive individual, but a lot of fun to work for because of that, you know. We really - boy, we were really going great guns.

M.O'R.: The organization was on the move, eh?

G.K.: Yeah. So he stayed then at USA for three years, approximately, and then was hired by the Milwaukee, Wisconsin Sanitary District, a huge organization; probably had 800 employees at that time, where USA at that time probably had about 150. So he took that job, and I served as Interim during these transition periods, and the day he left the board called me and asked if I'd come visit with them, and I did. And they said, "Will you take this job?" And I said, "Okay, I'll take this job." And that was May of 1978.

M.O'R.: Okay. Refresh my memory again: what was your title before that?

G.K.: Before that actually there were some reorganizations. When these new General Managers came in they made a reorganization, and I did the same thing when I took over. But when Mr. Wesselman was there, he created the position of Assistant General Manager, and I was in that position during his tenure and when he left. So I got to participate, then, in all aspects of the organization, which was very helpful for me, then, when I became General Manager.

M.O'R.: And before that you were -?

G.K.: Before that I was - originally, initially when USA got started I was what they called Administrative Division Manager, overseeing customer issues, some degree of finance, issuing permits

- paperwork type job, if you will. However, that organization was reestablished - Mr. Potter did a reorganization, and then he placed me in charge of operations, which included maintenance and operation of treatment plants, the sewer collection system, equipment and all those sorts of things. And then Mr. Wesselman, as I mentioned ...

M.O'R.: ... made you the Assistant General Manager?

G.K.: Yeah. Right.

M.O'R.: Which broadened your scope a little bit more?

G.K.: Yes. I got to participate in all the exciting things.

M.O'R.: And about to become more exciting a few years later?

G.K.: Yes. You know, the original master plan and the facilities, the treatment facilities that were constructed recognized that because USA didn't have a Willamette River or a Columbia River for dilution, that we had to remove more pollutants from the wastewater. And those facilities were constructed in order to allow us to add some chemicals, primarily, that increased our treatment capability.

To give a perspective of that, the normal secondary wastewater treatment facility would remove somewhere between 90 and 95 percent of pollutants. USA's plants, because of the ability to add some chemicals, were capable of removing somewhere between 94 and 98 percent of the pollutants. The two things that we didn't build for originally were for the removal of ammonia nitrogen and the removal of phosphates. That was a new technology in the business that came into being after we had built the original plants in the early 1970's.

We knew that that was going to be an issue, because those nutrients provide for plant growth, such as algae growth in water, and we knew based on continuous sampling and testing of the Tualatin River which USA has done ever since it was formed and continues to do today, that ultimately that was going to be something that had to be dealt with. Unfortunately, we didn't devote enough thought to that later on, and a lawsuit actually caused us, then, to really get into that issue.

M.O'R.: Right. We'll talk about a lawsuit in a minute. Let me ask you, though, as long as we're talking about this stuff leading up to the lawsuit right now, this continuous monitoring you did of the river, did that information ever - I mean, did you ever see any - did that information tip you off to anything or did you actually see the results of some of your activities by looking at the pollutant levels in the Tualatin?

G.K.: We - as I mentioned, we sampled and examined the river, and our individual who was in charge of our laboratory did prepare an annual report, and I and the board of directors and DEQ would receive a copy of that report. And he identified the degradation of the Tualatin as years passed, and primarily identified the fact that the river was exceeding its low level of dissolved oxygen, which of course is necessary for aquatic life to survive. He also identified the fact that the reason for that was the continuous buildup and growth of algae in the river. But we, me and the board and DEQ, didn't pay enough attention to that, and the reason we didn't, and I don't know about DEQ, but the reason we didn't was my board was oriented towards development. They were pro-develop individuals, and their concentration was on providing enough

wastewater facilities in order to accommodate development. And of course that's where my efforts were going, continue to expand the plants, expand the sewer system, in order that we can accommodate development. We knew what the quality of the receiving streams were, but we didn't pay enough attention to that, and there wasn't that much public concern about the quality of tributaries or the Tualatin River until the folks at Lake Oswego raised the issue, which was - what? - early to mid 1980's.

M.O'R.: And of course it's an issue that just I guess given the way things are set up that given the pro-development aspect of things, why would you want to look at something that might make it more difficult for you to provide for extra development?

G.K.: Sure. And the board didn't - they were not at all excited about raising sewer service fees, and they were not at all excited about increasing the connection fees for new development. See, each new construction - business, house or what-have-you - pays what is called a connection fee. And what that buys the property owner is their share of the sewer collection system and the treatment plant. It doesn't physically buy them anything that connects them to the sewer system. They have to pay for that separate.

So the connection fee during those times was somewhere around \$1200 per residential unit, and the board being pro-development, "No way are we going to raise this price," because had we recognized, "Yeah, we need to deal with phosphates and ammonia, and we need to add these facilities to our treatment plants," it would have necessitated raising the connection fee, maybe by three or

four hundred dollars. Well, the board wasn't having any part of that, of course.

And also, in 1976 we acquired our right to - we, USA - acquired its rights to 16,900 acre-feet of water out of the Scoggins Dam and the Hagg Lake facility. We thought that by discharging this water into the Tualatin in the summertime that we could minimize the algae growth in the river because of the added flow. And we thought we could deal with the low dissolved oxygen because of the added flow.

Had development not continued at the rapid rate that it did - which we thought was rapid then, probably not rapid compared to what's happening today, but it was rapid at that time - had development not continued at a rapid rate, we might have been able to address those issues without having gone through the lawsuit situation. But development - oh, we were - there were over 100 new homes being connected to the sewer system every month, sometimes up to 200 new homes every month. And that added to the waste load coming into the treatment plants, and it made it very interesting. It was exciting, I'll say that. A lot of money flowing into USA during those times, and still is today, of course. Their connection fee is about \$2200 per home. But they need the money in order to maintain and keep adding facilities.

M.O'R.: You mentioned the folks in Lake Oswego and this lawsuit, but actually there were at least a couple of newspaper articles, and I don't know that it went much beyond that or exactly what the total upshot of it all was, but back in the mid-70's - in fact, I've got the date here; one of them it was 1976 - there were a couple of Washington County Commissioners that were beginning to

make - or at least respond to the water quality in the Tualatin: Virginia Dagg and Mike Shepherd. And I don't know myself whether that was as a result of a sense of theirs that their constituency - or that there was public pressure building or exactly what was going on, but it did seem like there was at least an awareness starting to surface at that point.

G.K.: Yes. In 1976, see, Durham and Rock Creek weren't on line yet. And I suspect that our argument to counter that concern was, "Well, wait till we get these two new facilities on line and everything will be beautiful." I suspect that's what our argument was at that time. I don't recall that specifically, but that's the only response I can give you relative to that.

M.O'R.: Well, I didn't see a lot of evidence that there was a tremendous uproar or anything ...

G.K.: No.

M.O'R.: ... but I do know that there were some articles in the *Hillsboro Argus*, I think, about these two commissioners being concerned about the water quality.

~~G.K.~~ M.O'R.: Yeah. There were politics, pretty serious politics at that time, with Commissioner Dagg, she was the chairman of the board, and Mr. Shepherd. They were on one side of issues and the other three commissioners generally were on the other side of issues, and there were some really difficult board meetings where at times Commissioner Dagg and Mr. Shepherd would not support the staff of the County or USA, and we had some real serious meetings that would go well beyond midnight, starting at 7:00 in the evening, as the public, certain public realized that Commissioner Dagg would allow them to talk forever. And my goodness, those were very

stressful times for not only myself but also certain individuals at the County, the land use people and the County Administrator trying to deal with this division on the board. Yeah, that's - I think that's when I lost most of my hair. [laughs]

M.O'R.: But this was a struggle between the board members primarily and not really an issue ...

[end of tape]