

METROPOLITAN SERVICE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
JUNE 4, 1971

ATTENDANCE

Eldon Hout, Chairman
Sid Bartels
Lloyd Anderson
Mel Gordon
Robert Schumacher
Gus Mohr
Harold Ruecker, Excused
Homer C. Chandler, Executive Director
Herb Hardy, Attorney

Mr. Hout stated that the major purpose for this meeting was to hear a report from Mr. Hardy concerning legislative action dealing with solid waste management.

Mr. Hardy read into the record a letter setting forth what has been done regarding Metropolitan Service District's request for planning and capital construction funds which will be used in the development of the regional solid waste management program. (See attached letter.)

Mr. Hardy and Mr. Hout both recommended that Metropolitan Service District plan on the development of a revenue bond measure that can come to the voters in the May 1972 elections. Mr. Hout further stated that he is of the opinion that the Metropolitan Service District Board should make a formal request to the State Emergency Board for planning funds and that this request should be made just as soon as it can be finalized by recommendations from the Advisory Committee on Solid Wastes.

Mr. Gordon stated that he feels that, inasmuch as there is an emergency in the handling of solid waste in both Multnomah and Washington County, the Metropolitan Service District must move without further delay into the management of solid waste disposal for the whole Metropolitan Area.

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In order to do this, Mr. Gordon moved that

- (1) the Board should establish workshops within the next two weeks with the Advisory Board to determine immediate steps to meet the crisis facing the area; and
- (2) that the Board should enter into negotiations with the City of Portland to obtain the City site so that it can be used as a regional operation with the Metropolitan Service District Board supervising its use and the collection fees involved in its use.

Mr. Gordon further stated that it was his belief that, in order to obtain funds needed to administer a solid waste plan, the Board should develop and enter into a joint agreement with all the cities which would give to the Board the fullest support of the local governments in taking over all solid waste disposal.

Mr. Gordon's motion died for the lack of a second.

Chairman Hout stated that, in order to move forward in the development of a program that will lead to a revenue bond proposal, he would appoint the following committees:

- (1) Collection, Transfer Stations, Disposal Sites

Mr. Gordon as Chairman; Mr. Hout and Mr. Bartels to serve on the Committee.

- (2) Engineering and Architectural Planning

Mr. Anderson, Chairman

- (3) Finances

Mr. Schumacher, Chairman; Mr. Bartels to serve on the Committee.

- (4) Industrial Involvement

Mr. Mohr, Chairman

(5) Public Information

Mr. Bartels, Chairman

(6) Public Health Problems in Disposal Operations

Mr. Ruecker, Chairman

Mr. Hout requested that the Chairman of each committee select others who he would like to have serve and that the committees should move ahead immediately in developing reports that will be considered in a special meeting June 25, 1971, 10 a.m., in the Portland Water Bureau Conference Room.

JOHNSON CREEK STORM DRAINAGE

Mr. Chandler reported that the State Highway Department, in designing interstate highway 205, has questioned the City of Portland, Multnomah County, and the Metropolitan Service District staffs as to where a bridge should span Johnson Creek. Mr. Chandler stated that, in consulting with the Army Corps of Engineers, the Planning Departments of the City of Portland and the Public Works Department of Multnomah County, it was determined that the highway plan should show the bridge crossing a new channel which is to be developed following the Army Corps updating of the Johnson Creek Drainage Plan. In order to accomplish this, a proposal submitted to the State Highway Department that they plan on building the bridge over the proposed channel, but inasmuch as the highway may well be built before the Johnson Creek drainage program is complete, it is further proposed that the highway department should place a culvert in the existing Johnson Creek Channel so that the highway can be built over said channel. This matter is now being reviewed by the Highway Department and it's Mr. Chandler's desire that the Board should be fully aware of what is being done inasmuch as there may be some positive request made of the Metropolitan Service District before this matter is finalized. Mr. Anderson stated that the matter should be thoroughly coordinated with the City of Portland and Multnomah County staffs.

There being no further business, the meeting adjourned at 5:55 p.m.

CAKE, JAUREGUY, HARDY, BUTTLER & MCEWEN
ATTORNEYS AT LAW

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GEORGE C. REINMILLER
ROBERT D. RANKIN
JOHN S. MORRISON
THOMAS L. GALLAGHER, JR.

June 4, 1971

Board of Directors
Metropolitan Service District
Portland, Oregon

Re: Legislative financing of solid waste
planning and construction

Gentlemen:

You will recall that on April 19, 1971 a letter was sent to Senator Berkeley Lent, the Co-Chairman of the Ways and Means, requesting planning funds and the use of the state pollution bonds for capital construction up to \$25,000,000. Senator Lent was appointed to a judgeship early in May. However, Senator Newbry became the Senate Co-Chairman of Ways and Means and immediately evidenced a great understanding of the emergency of the solid waste problem, not only in the metropolitan area, but all up and down the west side of the State of Oregon.

In substance we believe that the amendments made by Ways and Means to appropriation bill, HB 2066, and to HB 1185, have provided the method and the means by which the Metropolitan Service District, as well as other governmental units in the state, can do adequate planning and be provided with necessary construction funds.

There are attached to your copies of this letter two composite make-up bills -- HB 1185 and HB 2066. Because there is no time at the present stage of the legislature to reprint all bills with extensive amendments, we have been obliged to make these bills up from the original measure, plus all amendments. You cannot find any such copies so we hope you will preserve them.

HB 1185

As amended this bill does the following:

- (1) Increases the authorization of sale of pollution bonds from \$50 to \$100 million.

The Environmental Quality Commission advised Ways and Means that it did not anticipate needing more than a total of \$80 million through fiscal 1972-73 for sewers, and this is reflected in an \$80 million limitation for that purpose in Section 3(1)(a) on page 2 of HB 2066 which is marked in red.

- (2) Is intended to authorize the Environmental Quality Commission to make "loans or grants" to municipal corporations or state agencies (which includes Metropolitan Service District) for the planning and construction of facilities for the disposal of solid waste.
- (3) Limits state grants for facilities related to disposal of solid wastes to 25% of total project costs, and limits the amount a local government can get as a loan from the state to 75%. This may seem strange, but Ways and Means apparently believes the state should participate.

HB 2066 (the appropriation measure)

1. Section 3 on page 2 authorizes the Environmental Quality Commission to "loan or grant funds" as provided in HB 1185. If you will note sub-paragraph 2 under the comments on HB 1185 above, you will see that such funds are available for solid waste.
2. In the same Section 3 of HB 2066 under sub-section (1)(a) you will see that the Environmental Quality Commission is limited to using \$80 million for sewage treatment facilities, leaving \$20 million of the authorized \$100 million for solid waste.
3. In subsections (b) and (c) of the same section you will note that only \$1.00 is appropriated for construction and planning of solid waste disposal. This is the method by which the legislature, through its Emergency Board can review the needs and the merits of proposals for solid waste planning and construction funds.
4. In sections 5 and 6 there is appropriated to the Emergency Board roughly 1/2 million additional for "allocation" to the Environmental Quality Commission for the purposes in subsections (1) and (2)

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of Section 1 of this HB 2066, plus an additional
1/2 million for bond debt funding.

5. The key to potential available funds for solid waste planning and construction funds is in Section 7 which reads:

"Any balances of the sums appropriated by sections 5 and 6 of this Act determined by the Emergency Board to be not necessary for the purposes specified may be allocated for other lawful purposes."

It is our opinion that if Metropolitan Service District submits one or a series of proposals calling for certain specified planning funds, together with preliminary analysis and argument as to the needs and merits of such planning to the Environmental Quality Commission, and that agency approves it with or without amendments, that there will then be a good chance of its approval by the Emergency Board with the consequent funding from that Board.

As to capital construction, there is doubt that we can get state bond funds without first getting our own revenue bonds to use as collateral with the state, but we are not at this moment prepared to render an opinion upon that matter.

Finally, we were advised orally by the Ways and Means sub-committee that they expect us to use every effort to obtain funds from the Federal government for a major share of our planning funds.

In conclusion, we wish to observe that the state expects and hopes that Metropolitan Service District will now move forward with dispatch.

Very truly yours,

CAKE, JAUREGUY, HARDY, BUTTLER & MCEWEN


Herbert C. Hardy

HCH:ej
Enclosure

A BILL FOR AN ACT

Relating to the financial administration of the Department of Environmental Quality; appropriating money; limiting expenditures; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. There hereby is appropriated to the Department of Environmental Quality, for the biennium beginning July 1, 1971, out of the General Fund, the sum of \$2,885.397 for the purpose of paying administrative expenses of the Environmental Quality Commission. Such sum may be expended only for the following purposes: (1) operating expenses, \$2,669,230; (2) assistance to regional air quality centers, \$216,167.00.

Amended 5-28

SECTION 2. Notwithstanding the provisions of any other law, the sum of \$297,336 is established for the biennium beginning July 1, 1971, as the maximum limit for the payment of expenses from federal funds collected or received by the Department of Environmental Quality.

SECTION 3. (1) From the proceeds of the bonds authorized by ORS 449.672, as amended by section 1, chapter —, Oregon Laws 1971 (Enrolled House Bill 1185), the Environmental Quality Commission may loan or grant funds, as provided under ORS 449.685, as amended by section 3, chapter —, Oregon Laws 1971 (Enrolled House Bill 1185), in an aggregate amount not to exceed:

"(a) For construction of sewage treatment facilities	\$80,000,000
"(b) For construction of solid waste facilities	\$ 1
"(c) For planning of facilities or methods relating to the disposal of solid waste and of facilities for sewage treatment	\$ 1"

(2) The limitation of expenses set forth in subsection (1) of this section does not apply to, limit or affect expenses of the Department of Environmental Quality for debt service.

SECTION 4. There hereby is appropriated to the Pollution Control Sinking Fund, for the biennium beginning July 1, 1971, out of the General

Amendment of 5-28

27 "SECTION 6. There hereby is appropriated to the Emergency Board
28 for the biennium beginning July 1, 1971, out of the General Fund, the sum
1 of \$537,885 for allocation to the Pollutoin Control Sinking Fund to cover
2 necessary debt service expenses.

3 "~~SECTION 7. Any advances of the sums appropriated by sections 5 and~~
4 ~~6 of this Act determined by the Emergency Board to be not necessary for~~
5 ~~the purposes specified may be allocated for other lawful purposes.~~

6 "SECTION 8. (1) On written request of the Department of Environ-
7 mental Quality, the Executive Department shall draw warrants on amounts
8 appropriated to the Department of Environmental Quality for operating
9 expenses for use by the department as a revolving fund. The revolving
10 fund shall not exceed the aggregate sum of \$5,000 including unreimbursed
11 advances. The revolving fund shall be deposited with the State Treasurer
12 to be held in a special account against which the department may draw
13 checks.

14 "(2) The revolving fund may be used by the department to pay for
15 travel expenses for employes of the department and for any consultants
16 or advisers for whom payment of travel expenses is authorized by law,
17 or advances therefor, or for purchases required from time to time or for
18 receipt or disbursement of federal funds available under federal law.

19 "(3) All claims for reimbursement of amounts paid from the revolving
20 fund shall be approved by the department and by the Executive Depart-
21 ment. When such claims have been approved, a warrant covering them
22 shall be drawn in favor of the department and charged against the appro-
23 priate fund or account, and shall be used to reimburse the revolving fund."

24 SECTION 9. This Act being necessary for the immediate preservation
25 of the public peace, health and safety, an emergency is declared to exist, and
26 this Act takes effect on its passage.

Amended by 5-28

