

MSD BOARD OF DIRECTORS

MINUTES OF AUGUST 26, 1977 MEETING

BOARD MEMBERS IN ATTENDANCE

Ray Miller, Chairman  
 Sidney Bartels  
 Lyle Salquist  
 Mel Gordon  
 Connie McCready  
 James Robnett

BOARD MEMBERS NOT IN ATTENDANCE

Robert Schumacher

STAFF & ADVISORS IN ATTENDANCE

Herb Hardy, Attorney  
 Bob Brown, DEQ  
 Charles C. Kemper, Staff  
 Merle Irvine, Staff  
 Chuck Estes, Staff  
 Warren Iliff, Staff  
 A. McKay Rich, Staff  
 Cordell Ketterling, Staff  
 Jean Woodman, Staff

GUESTS IN ATTENDANCE

List attached.

The clerk called the roll and there being a quorum present, the following items of business were considered:

77-893 MINUTES

Commissioner Gordon moved to approve the minutes of August 18, 1977, as submitted. Councilman Bartels seconded the motion. The motion carried unanimously by roll call vote. (Commissioner McCready and Mayor Robnett were not present during this agenda item.)

METROPOLITAN SERVICE DISTRICT  
 BOARD ACTION  
 77-907 DATE 9-9-77  
 NO ASST.

BARTELS		
GORDON		
MCCREADY		
ROBNETT		
SALQUIST		
SCHUMACHER		
MILLER, CHAIRMAN		

*Ray Miller*  
 Clerk of the Board

77-894 PUBLIC COMMUNICATIONS

Commissioner Miller asked if there was anyone in the audience that wished to address the Board on matters not listed on the meeting agenda. There was no response.

77-895 CASH DISBURSEMENTS

Mr. Estes reviewed the cash disbursements listing noting items of interested. Commissioner Gordon questioned whether the CH2M expenditure was a portion of the contract disputed by the Board the year before, and was assured by staff that this was a new contract and of no relationship to the previous contract.

Commissioner Gordon moved to approve payment of Checks No. 4047 through 4145 in the total amount of \$51,302.62. Councilman Bartels seconded the motion. The motion carried unanimously by roll call vote. (Commissioner McCready and Mayor Robnett were not present.)

77-896 H.B. 3308 DISCUSSION

Commissioner Miller announced that the City Council had transferred authority for the stadium to the Exposition and Recreation Commission. He did not feel that the Board should act as a promotional body for the coliseum, but might provide the vehicle for bringing such a proposal before the voters. Commissioner Miller stated that it was his intention to meet with the Chairman of the E.R. Commission for discussion but would make no commitments. There was some discussion on possible funding for remodelling or rebuilding the coliseum; and it was agreed that such action would not be initiated by the Board, and the Board would await the outcome of Commissioner Miller's meeting with the E.R. Chairman.

77-897 FIXED ASSETS & EQUIPMENT APPRAISAL

The Board reconsidered staff request to approve a contract with Marshall and Stevens to perform a MSD equipment appraisal and inventory list. Mr. Kemper stated that Coopers & Lybrand, the MSD auditors, no longer felt that the appraisal was necessary. Also, staff had contacted Multnomah County as a possible source for doing the appraisal, and were satisfied that the County could not perform the appraisal, inventory and tagging for less than Marshall & Stevens. Staff felt it would be appropriate to approve an expenditure of \$2,400 for inventory and tagging by Marshall and Stevens, eliminating the equipment appraisal.

Councilman Bartels moved to approve contract 77-095 with Marshall and Stevens to provide inventory and tagging of MSD capital equipment and property at a cost not to exceed \$2,400. Commissioner Gordon seconded the motion. The motion carried unanimously by roll call vote. (Mayor Robnett was not present.)

77-898 INCREASE ON CONTRACT APPROVAL LIMIT

Mr. Kemper reviewed the staff report requesting an increase to \$5,000 for staff authority to approve and sign contracts, stating the \$5,000 figure coincided with the State Contract Law requiring the bidding process for materials and services contracts. The staff request was in response to the Zoo Division's needs for efficiently processing these contracts.

Motion 77-898.A: Commissioner Gordon moved to amend the staff recommendation to require the signatures of the division director and the Chairman or Vice Chairman. Councilman Bartels seconded the motion.

With the motion under discussion, Commissioner McCready stated that a \$500 figure for staff approval was too low, and had reservations because of past performance by the Zoo Division of allowing \$5,000. She suggested a figure of \$1,500 to \$2,000 with the understanding that any potentially controversial contract be brought to the Board. Commissioner Gordon felt that the Chairman's signature would flag any problem contracts. Commissioner McCready still had some concerns and moved to amend the limit to \$2,000. The motion did not receive a second.

The question was called on Commissioner Gordon's motion to amend the staff recommendation, and the motion carried unanimously by roll call vote.

Motion 77-898.B: Commissioner Gordon moved to increase contract approval limits for the Division Directors to \$5,000 with the stipulation that the contracts be reviewed by legal counsel and adhere to MSD administrative procedures and state law, and receive signature by both the division director and the Chairman or Vice Chairman. Councilman Bartels seconded the motion. The motion carried with Commissioner McCready voting against.

77-899 WORK SCOPE MODIFICATION - SUB-CONTRACT PHASE I ENGINEERING DESIGN

Set over to September 9, 1977.

77-900 DESIGN CRITERIA - ENERGY RECOVERY FACILITY

Mr. Kemper introduced Roy Ruel, and Horst Matschukat, of Publishers Paper Company, and Jim Arcate, of Bectel. Mr. Arcate provided the presentation on the engineering team's decision to modify the plan for the South Processing Center which would locate the boiler on the MSD property and pipe steam to the Publishers plant. The original plan had been to locate the boiler on the Publishers' property and truck the R.D.F. from the processing site to the boiler. After analyzing costs on this system and several other systems, it was considered feasible to amend the plan placing the boiler on the MSD site. Mr. Arcate noted that this approach was still under analysis and that some problems still existed. Mr. Kemper felt that it was important to recognize that Bechtel's analysis did show the pipeline to be feasible where before they felt it was not. He also noted that access to the Publishers' site was difficult and this was a consideration.

There was some discussion on the amount of tonnage being processed. Mr. Arcate stated an amount of 1,400 tons per day on a 5.5 day schedule, noting that the minimum and maximum tonnages were still under analysis. Commissioner McCreedy questioned the cost differences and who would bear any increases. Mr. Kemper stated that any cost fluctuations would be absorbed in the dump fee. Ownership alternatives are also being analyzed. Councilman Bartels mentioned the taxation issue of the property ownership, and Mr. Arcate assured him this was being considered. Mayor Robnett suggested that the Oregon City Council be kept informed as decisions are made.

No action was requested.

77-901 BOTTLE WASHING FACILITY PROPOSAL

Mr. Irvine reviewed Portland Recycling Team's proposal that MSD seek solid waste demonstration funds from DEQ to establish a bottle washing project in the area. The funding would consist of 70% loan and 30% grant, and be processed through MSD. It is staff's understanding that the loan will be secured in a form sufficient to cover all funds due MSD. Collateral to be provided has not yet been determined. The total amount to be requested is \$50,000 of which \$15,000 is grant monies and the only funding that would be lost if the project is not completed. Mr. Irvine indicated that the limiting factor on the project is securing raw material, however, supplies of glass would be provided by all of the P.R.T. outlets in the area as well as other recyclers throughout the state. Collection routes have been set up also to service wineries and other industries. Commissioner Gordon questioned the economics of the project, and Mr. Powell stated that the COR-MET document concluded a return of one or two percent, and for this reason could only be pursued by environmental groups. He also indicated that the project would be supported by other recycling efforts of P.R.T., in case of financial need.

Staff felt the project was appropriate to allow P.R.T. to demonstrate whether the facility was feasible. A plus factor in favor of approval also was elimination of a large portion of glass from the waste stream and a reduction of the problem glass would cause in the processing system.

Commissioner Gordon moved to accept Portland Recycling Team's proposal to design, construct and operate a bottle washing facility in the MSD and that an application be made to DEQ for demonstration funds in the amount of \$15,000 grant and a \$35,000 loan; approval subject to the following conditions:

1. That PRT secure the \$35,000 loan in a form sufficient to cover all funds due MSD;
2. That PRT repay the loan to MSD within three (3) years; and
3. That PRT submit progress reports on the following dates:
  - a) Six months after commencing operation.
  - b) Twelve months after commencing operation.
  - c) Twenty-four months after commencing operation.
  - d) Thirty-six months after commencing operation.

Councilman Bartels seconded the motion. The motion carried unanimously by roll call vote.

77-902 SOLID WASTE FACILITY AGREEMENTS

A. Contract 77-073-1 - Resource Recovery Byproducts

Mr. Irvine reviewed the staff report discussing a continuing contract with Resource Recovery Byproducts. RRB had been operating under a temporary contract pending development of the contract before the Board. Mr. Irvine reviewed the highlights of the new contract of termination date, restrictions, and penalties for violations. Councilman Bartels felt that the termination date of five years or less MSD facility operation, should be clarified to eliminate possible controversy over the point the facility is considered operational. It was agreed that the language would be changed by including in item 15 of the contract: "...or until the date MSD notifies RRB in writing of the facility's operational date".

Councilman Bartels moved to approve Contract 77-073-1 with Resource Recovery Byproducts, amended to include MSD written notification of facility operation as clarification to termination date. Commissioner McCready seconded the motion. The motion carried unanimously by roll call vote.

B. Contract 77-074 - Metropolitan Disposal Corporation

Contract 77-074 is for the Metropolitan Disposal Corp covers their facility at 8501 N Borthwick. Mr. Irvine reviewed the restrictions in the contract noting that MDC would pay the user fee and receive a credit at the landfill. The Board agreed that the same contract amendment for termination discussed in the RRB contract would be included in the MDC contract.

Commissioner McCready questioned whether MSD had requested DEQ to restrict the demolition sites to demolition wastes, and Mr. Kemper answered that this determination was in the process, and that the Board had begun by making the decision to move compacted wastes back to St. Johns and Rossmans. He also stated that the wording in the site permits as to acceptable types of material and the amounts of paper still being accepted were problems to be worked out.

Commissioner Gordon moved to approve Contract 77-074 with Metropolitan Disposal Corporation amended to include language clarifying termination date to show MSD's written notification to MDC of the MSD facility operation date. Councilman Bartels seconded the motion. The motion carried unanimously by roll call vote.

C. Contract 77-099 - Sunflower Recycling

Set over to September 9, 1977.

D. Contract 77-102 - Forest Grove Transfer Station

Set over to September 9, 1977.

77-903 CONTRACT 77-072 - FACTORY AGENTS, INC.

Mr. Iliff reviewed the history of Factory Agents role in developing the Zoo concessions, and the Board's direction to develop a contract for preliminary drawings and plans for the concessions remodelling. Mr. Iliff stated that Factory Agents personnel were familiar with equipment being offered for donation by Burger King, and provide MSD with the opportunity to buy factory direct equipment from the low bidder. Mr. Iliff proposed that item 4.(b) of the contract be amended to give an up to limit on the cost of field trips by Factory Agents. The contract was in line with the Board's decision to retain operation of the concessions and gift shop rather than to bid for private operation.

Councilman Bartels moved to approve Contract 77-072 with Factory Agents, Inc., restricting item 4.(b) to a total expenditure of \$600. Commissioner McCready seconded the motion.

During discussion, Commissioner Gordon stated he felt MSD operation of the concessions would be the beginning of a large capital expenditure, and that operation could be better done with better profits if operated by private enterprise, and for this reason intended to vote against the motion. Commissioner McCready asked what the Concessions Advisory Committee's position was, and Mr. Iliff stated the Committee had given a firm recommendation in favor of MSD operation.

The question was called and the motion carried with Commissioner Gordon voting no.

77-904 TRAVEL REQUESTS - Zoo Division

A. Com. McCready moved to approve payment of \$99.71 additional expenses incurred by Don Flatley during his trip to the gift show in Los Angeles, Sea World, the San Diego Zoo, and the San Diego Wildlife Park. Mayor Robnett seconded the motion. The motion carried unanimously by roll call vote.

B. The Board considered staff request to send Bill McCabe, Steve McCusker and Lee Marshall to the Arizona Sonora Desert Museum on the CETA Feline Exhibit Project. Cost of the trip will be absorbed by CETA funds previously set aside for consultant trips.

Mayor Robnett moved to approve the trip to Arizona during the month of September for three staff members at a total cost not to exceed \$966. Councilman Salquist seconded the motion.

During discussion Commissioner McCready noted that in the four trips before the Board, with the same staff member going to several places, arrangements could be made to coordinate the trips and save money. Mr. Iliff stated that staff had tried to do this, but that the timing was inappropriate.

The question was called and the motion carried with Commissioner Gordon voting no.

C. Mr. Iliff stated that the Zoo staff was anticipating selling some animals to the Wildlife Safari near Roseburg, however, before doing so, felt the conditions for housing the animals should be looked over. He was recommending approval to send Steve McCusker and Mike Schmidt to Roseburg for this purpose and to discuss other exchanges.

Councilman Bartels moved to approve travel by two staff members to the Wildlife Safari at a total cost not to exceed \$125. Mayor Robnett seconded the motion. The motion carried unanimously by roll call vote.



- D. The Board considered staff's request to send two staff members to the American Association of Zoological Parks and Aquariums, in San Diego, September 18 through 22. Mr. Iliff stated that this was an important conference and that Dr. Markowitz would be delivering a technical paper.

Councilman Salquist moved to approve Steve McCusker's and Hal Markowitz's attendance at the AAZPA conference in San Diego at a total cost per person not to exceed \$484.50. Commissioner McCready seconded the motion. The motion carried with Commissioner Gordon voting no.

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#### OTHER BUSINESS

Mayor Robnett moved to consider the MSD Office phone system and MSD liability insurance coverage under Other Business. Councilman Salquist seconded the motion. The motion carried unanimously by roll call vote.

#### 77-905- MSD Office Phone System

Mr. Kemper reported that staff had been in discussion with Multnomah County personnel to provide MSD with necessary telephone lines to convert to the Multnomah Centrex System. Commissioner Gordon stated that the county was in the process of evaluating their telephone system and may well change from the Centrex system, which could have a financial impact on MSD if converted at this time. Commissioner McCready stated that the City was also considering a change from Centrex and that the City Council had voted to intervene in the Telephone Company's request to the PUC for a rate increase. She felt that the City's action might incur some legal problems with the Telephone Company, and that this was not the time for MSD consider Centrex. The Board was in agreement, and the matter was set over for future consideration.

77-906 MSD Liability Insurance

Mr. Estes reviewed an increase in liability cost for MSD on renewal of a total package liability coverage effective September 1, 1977. It was staff's recommendation to maintain limits of \$5,500,000 bodily injury; \$5,500,000 property damage; and \$6,000,000 errors and omissions coverage.

Councilman Bartels moved to approve maximum limits of liability at the additional premium of \$2,500. Commissioner McCready seconded the motion. The motion carried unanimously by roll call vote.

There being no further business to come before the Board, the meeting adjourned at 4:00 P.M.