



METROPOLITAN SERVICE DISTRICT

1220 S.W. MORRISON, ROOM 300, PORTLAND, OREGON 97205

(503) 222-3671

MSD BOARD OF DIRECTORS

PORTLAND WATER BUREAU
1800 SW 6TH AVE.
AUDITORIUM

FEBRUARY 24, 1978
2:00 P.M.

A G E N D A

78-1006
78-1007

MINUTES
PUBLIC COMMUNICATIONS

ADMINISTRATIVE DIVISION

78-1008
78-1009

78-1010

CASH DISBURSEMENTS
ADMINISTRATIVE PROCEDURE NO. 7 -
PERSONAL SERVICES SELECTION
REQUEST TO SPONSOR FLOOD CONTROL PRO-
JECT FOR LOWER TUALATIN RIVER -
CITY OF TUALATIN

SOLID WASTE DIVISION

(NO BUSINESS)

ZOO DIVISION

78-1011

78-1012

CONTRACT 77-107 AMENDMENTS - WARNER
WALKER & MACY
TRAVEL REQUEST

OTHER BUSINESS

INFORMATIONAL REPORTS



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FEBRUARY 24, 1978
2:00 P.M.

ACTION AGENDA

<u>PAGE</u>	<u>ACTION RECORD NUMBER</u>	
1	78-1006	MINUTES Action - <u>Approve</u> minutes of February 10, 1978 as submitted
1	78-1007	PUBLIC COMMUNICATIONS Action - <u>Receive</u> comments from public on matters not listed on the meeting agenda
8	78-1008	CASH DISBURSEMENTS Action - <u>Approve</u> staff recommendation
12	78-1009	ADMINISTRATIVE PROCEDURE NO. 7 - PERSONAL SERVICES SELECTION Action - <u>Approve</u> MAP No. 7
17	78-1010	REQUEST TO SPONSOR FLOOD CONTROL PROJECT FOR LOWER TUALATIN RIVER Action - <u>Approve</u> Contract 78-136 with the City of Tualatin

78-1006 MINUTES

THE FOLLOWING PAGES CONTAIN THE MINUTES OF THE FEBRUARY 10, 1978, BOARD MEETING. THE STAFF RECOMMENDS APPROVAL OF THE BOARD MINUTES.

78-1007 PUBLIC COMMUNICATIONS

THIS AGENDA ITEM ALLOWS THE BOARD TO CONSIDER MATTERS NOT LISTED ON THE MEETING AGENDA.

78-1008 CASH DISBURSEMENTS

THE FOLLOWING PAGES CONTAIN EXPENSE CHECK REGISTERS FOR FEBRUARY 21, AND 24, 1978.

THE STAFF RECOMMENDS APPROVAL FOR PAYMENT OF EXPENSE CHECK REGISTERS FOR FEBRUARY 21, 1978, IN THE TOTAL AMOUNT OF \$47,488.54, AND FEBRUARY 24, 1978, IN THE TOTAL AMOUNT OF \$62,117.07.

METROPOLITAN SERVICE DISTRICT
BOARD ACTION

NO. 78-1008 DATE 2-24-78

	YES	NO	ABST.
BARTELS	/		
GORDON	/		
McCREADY	/		
MILLER	/		
ROBNETT	/		
SALQUIST	/		
SCHUMACHER	/		

Jean M. Wood
Clerk of the Board

CHECK #	VENDOR	PAYEE	AMOUNT
1669	2923	FILM LOFT	1,500.00
1668	3185	AL GOLDSBY	4,500.00
1621	3918	VOID CHECK	287.20CR
1674 /1675	5685	METROPOLITAN SERVICE DIST.	33,416.51
1671	5907	MUNICIPAL FINANCE OFFICERS	13.50
1672	6520	OREGON LABORERS EMPLOYERS	8,201.50
1670	7172	PRATICAL MANAGEMENT ASSOC.	65.00
1667	9766	VALERIE HOLZMAN	71.09
1673	9768	WOODWARDS BOOK STORE	8.14

FINAL TOTAL 47,488.54 *

CHECK #	VENDOR	PAYEE	AMOUNT
1677	366	AMERICAN BAKERIES COMPANY	77.52
1678	393	ANDERSON'S DELICATESSEN	14.10
1679	408	ANDERSON OREGON RENTAL	23.24
1680	420	ANIMAL SPECIALITIES	20.50
1681	525	ART MEDIA	41.30
1682	760	THE BAGEL BARREL	43.35
1683	922	KEN BEST COMPANY	774.28
1684	1013	BOISE CASCADE OFFICE PROD	319.67
1685	1025	THE BOOK CELLAR	13.22
1686	1076	BREWED HOT COFFEE INC.	18.75
1687	1163	BUREAU OF WATER WORKS	2,276.06
1688	1234	CAFFEE AUTO SUPPLY	201.46
1689	1240	CALCOM GRAPHIC SUPPLY INC	10.09
1690	1284	CARBON DIOXIDE INC.	263.90
1691	1392	THE CHILDRENS BOOK COMPANY	15.66
1692	1429	CITIZEN PHOTO	123.75
1693	1435	CITY OF PORTLAND	1,246.61
1694	1551	CONTROL DATA CORP.	518.96
1695	1599	CUSTOM CAMERA CRAFT	30.00
1696	1714	ROBERT O DAHL	1,150.50
1697	1715	DAILY JOURNAL OF COMMERCE	57.50
1698	1719	B. DALTON BOOKSTORES	19.95
1699	1839	DICTAPHONE	37.00
1700	2379	CHARLES ESTES	62.65
1701	2862	FLUKERS CRICKET FARM INC	27.23
1702	2926	FRED MEYER	120.05
1703	3074	GENUINE PARTS COMPANY	68.19
1704	3136	GILLESPIE DECALS INC.	125.83
1705	3163	GLOBAL EQUIPMENT CO	69.90
1706	3259	JOE GRAZIANO PRODUCE CO	118.75
1707	3317	GUNNARYS PICTURE FRAMING	36.60
1708	3395	HALL TOOL COMPANY	47.28
1709	3404	TED HALLOCK INC	252.25
1710	3462	HARDY, BUTLER, MCEWEN,	4,548.55
1711	3625	ALAN HICKS PHOTOGRAPHY	42.00
1712	3599	HOLLAND FEED INC	31.51
1713	3918	INTERNATIONAL BUSINESS MACH.	1,356.49
1714	3919	I. B. M.	370.50
1715	4177	WARREN ILIFF	134.65
1716	4221	INDUSTRIAL SPECIALTIES	33.73
1717	4237	INTERNAL REVENUE SERVICE	6,966.77
1718	4545	JAFCD	291.94
1719	4570	FRED S JAMES & CO	797.00
1720	4675	JOHNSON CONTROLS	107.00
1721	4725	JONES PHOTO	8.90
1722	5120	LAGRAND INDUSTRIAL SUPPLY CO	68.40
1723	5273	LIQUID AIR INC	2.00
1724	5902	MULTNOMAH COUNTY OREGON	835.79
1725	5905	MUNICIPAL EMPLOYEES	255.98
1726	5963	NABISCO INC.	338.33
1727	6115	NORTHWEST FORD TRUCK SALES	5,213.30
1728	6122	NORTHWEST MARINE IRON WORKS	2,330.00
1729	6124	NORTHWEST TIRE CO	73.75

CHECK #	VENDOR	PAYEE	AMOUNT
1730	6126	NORTHWEST VETERINARY	323.40
1731	6517	BOB OLSON & ASSOC	18.00
1732	6615	STATE OF OREGON	8.75
1733	6618	STATE OF OREGON	5,243.01
1734	6623	OREGON FOOD SERVICE	784.76
1735	6875	PACIFIC NORTHWEST BELL	1,376.43
1736	6876	PACKER SCOTT COMPANY	444.47
1737	6883	PACIFIC FRUIT & PRODUCE CO.	133.50
1738	6886	PACIFIC STATIONERY	12.13
1739	6903	PARAMOUNT SUPPLY COMPANY	245.90
1740	6927	PARR LUMBER COMPANY	113.34
1741	6989	PEPSI COLA BOTTLING COMPANY	634.25
1742	7075	PIICO COMPUTER CENTER	20.24
1743	7085	PIONEER DESIGN & TYPE	24.00
1744	7142	CITY OF PORTLAND	280.75
1745	7149	PORTLAND GENERAL ELECTRIC	3,708.46
1746	7203	PUBLIC EMPLOYEES RETIREMENT	6,254.64
1747	7205	PUB EMPL RET SYSTEM	6,254.64
1748	7565	ROSE CITY BUSINESS SUPPLY CO	35.60
1749	7592	ROTO ROOTER SERVICE	55.00
1750	7688	SAFEWAY, INC.	174.30
1751	7702	SANDY'S CAMERA SHOPS	2.99
1752	7758	SCIENTIFIC PRODUCTS	12.41
1753	7815	SERVICE EMPLOYEES UNION 49	30.00
1754	8102	STANDARD ELECTRIC MOTOR SERV	50.37
1755	8105	STANDARD STEEL	40.00
1756	8224	SUNSHINE DAIRY	79.32
1757	8263	S. KARGER #0-452-702013-00	58.00
1758	8402	DON THOMAS PETROLEUM	274.50
1759	8524	TRIANGLE PUMP & EQUIPMENT	94.00
1760	8528	TRIANGLE MILLING COMPANY	358.25
1761	8818	UNITED WAY OF THE	20.00
1762	8822	U S POSTMASTER	400.00
1763	8831	UNIVERSITY PARK PRESS	64.95
1764	9011	VESTAL LABORATORIES	93.40
1765	9230	WAICO SCAFFOLD & EQUIPMENT	12.00
1766	9233	WAICO NORTHWEST INC	743.47
1767	9236	WARD HARRIS INC	96.17
1768	9319	WESTERN ENGINEERS INC	124.50
1769	9321	WESTERN ZOOLOGICAL SUPPLY	438.50
1770	9325	WESTERN-PACIFIC CONSTRUCTION	175.20
1771	9645	XEROX CORPORATION	600.74
1772	9652	X-L COPY CENTER	50.20
1773	9707	MIKE KEELE	25.00
1774	9709	ANNE BROWN	9.90
1775	9765	PHILLIP WILLS	85.00

FINAL TOTAL 52,117.07 *

1676
1776

Void
Void

78-1009 ADMINISTRATIVE PROCEDURE NO. 7 - PERSONAL SERVICES SELECTION

THE ATTACHED PERSONAL SERVICES SELECTION PROCEDURE HAS BEEN PREPARED BY MSD STAFF IN ORDER TO PROVIDE GUIDANCE TO OPERATING DIVISIONS IN THEIR SELECTION OF PERSONAL SERVICES CONTRACTORS. NORMALLY, ADMINISTRATIVE PROCEDURES DO NOT REQUIRE BOARD APPROVAL, HOWEVER, ORS CHAPTER 279 REQUIRES THAT GOVERNING BODIES ADOPT A SELECTION PROCESS.

THE PROPOSED PROCEDURES SELECTED CONTRACTOR FEE LEVELS THAT ARE THE SAME AS THOSE APPROVED PREVIOUSLY BY MSD FOR CONTRACT SIGNATURE APPROVAL AND THOSE DEFINED IN THE PUBLIC CONTRACT LAW ORS 279. IN ADDITION, THIS PROCEDURE WILL ALLOW THE BOARD TO PROVIDE A VARIANCE TO THE PROCESS UNDER CERTAIN CONDITIONS.

THE STAFF RECOMMENDS APPROVAL OF THE ATTACHED MSD ADMINISTRATIVE PROCEDURE No. 7 FOR PERSONAL SERVICES.

METROPOLITAN SERVICE DISTRICT
BOARD ACTION
NO. 78-1009 DATE 2-24-78

	YES	NO	ABST.
BARTELS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GORDON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
McCREADY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MILLER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ROBNETT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SALQUIST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SCHUMACHER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Jean M. [Signature]
Clerk of the Board

MAP 7

METROPOLITAN SERVICE DISTRICT
ADMINISTRATIVE PROCEDURE

TITLE: PERSONAL SERVICES CONTRACT SELECTION

DESCRIPTION: A PROCEDURE TO BE FOLLOWED FOR PERSONAL SERVICES CONTRACT SELECTION (INCLUDING ARCHITECTURAL AND ENGINEERING SERVICES).

POLICY STATEMENT: THE MSD WILL RETAIN PERSONAL SERVICES (INCLUDING ARCHITECTURAL AND ENGINEERING SERVICES) ON THE BASIS OF DEMONSTRATED COMPETENCE AND QUALIFICATIONS AND NEGOTIATE FEES FOR SUCH CONTRACTS AT FAIR AND REASONABLE PRICES

PROCEDURE: 1. Personal services contracts are for services that are not normally performed by the MSD division staffs and will not require continuous supervision by MSD staff personnel. Examples of services that may be performed under personal services contracts are: economic consultant; engineers; architects; special photography; legislative liaison; public relations and professional advice on retainer.

2. For personal service contracts \$500 or less the division director or the director's designee shall state in writing the need for the proposed contractor. This statement shall include a description of the contractor's capabilities in performing designated work tasks. Multiple proposals need not be obtained.
3. For personal services contracts between \$501 and \$5,000, the following process shall be used:
 - a) Proposals shall be solicited from at least three potential contractors who, in the judgment of the division director, are capable and qualified to perform the requested work.
 - b) Solicitation shall be done by letter and proposals shall be in writing. MSD shall reserve the right to reject any or all proposals for any reason.
 - c) Evaluation shall utilize Attachment "A" or its equivalent and may as an option require oral presentations. The objective is highest quality of work for most reasonable price. The quality of the proposal may be more important than cost.
 - d) Notification of selection and rejection shall be made in writing by the division director or the director's designee. A copy should be filed with the Administrative Division.
4. For personal services contracts in excess of \$5,000, an evaluation of proposals from potential contractors shall be performed as follows:
 - a) A notice shall be published in a newspaper of general circulation requesting proposals for the project. In addition, MSD shall notify in writing at least three potential contractors, who, in the judgment of the division director are capable and qualified to perform the requested work. The potential contractors may be selected

from a list maintained by the Administrative Division. MSD shall reserve the right to reject any or all proposals for any reason.

b) Evaluations of proposals shall use Attachment "A" or its equivalent. The use of oral interview and an evaluation team is recommended. If an evaluation team is used it shall consist of three to five people.

c) After evaluation is complete, the selection team, if used, shall recommend a contractor by ranking the finalists to the division director who will make final selection.

d) Notifications of selection and rejection shall be made in writing by the division director or the director's designee.

e) The personal services contract shall be submitted for review by legal counsel pursuant to MAP 51.

5. Additional work and compensation may be added by amendment to an existing personal service contract if the additional work is related to the scope of work in the existing contract and if the division director determines that the contract amendment will result in costs, savings and competent work. Contract amendments must be approved by the MSD Board.

6. The director or the director's designee is not required to follow these procedures for emergency agreements. However, these agreements are subject to Board approval.

DATE: _____

APPROVAL: _____

ATTACHMENT A

NAME OF FIRM: _____

Please score the consulting firm on a scale from low 5 to high 1 as you feel his performance rates on the following list of items:

WEIGHTED POINTS = Factor Times Score

Criteria	1	2	3	4	5	Factor	Weighted Points
1. Demonstrated competence in this type of work							
2. Background and experience of firm's staff members who would be assigned to the job							
3. Approach to the accomplishment of a project							
4. Size of job in relation to firm size							
5. Availability							
6. Ability to perform the work locally							
7. Ability of contractor to supply all of the major disciplines necessary to perform the work							
8. Consultants present work volume							

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EVALUATION TEAM MEMBER _____

78-1010 REQUEST TO SPONSOR FLOOD CONTROL PROJECT FOR LOWER TUALATIN RIVER - CONTRACT 78-136

THE FOLLOWING PAGES CONTAIN A REQUEST FROM THE CITY OF TUALATIN FOR MSD SPONSORSHIP OF A FLOOD CONTROL PROJECT THAT COULD ALLEVIATE FLOODING WITHIN THE CITY. ALSO ENCLOSED IS THE LATEST DRAFT AGREEMENT FOR THE BOARD'S CONSIDERATION.

AFTER DISCUSSION, THE STAFF RECOMMENDS APPROVAL OF CONTRACT 78-136 WITH THE CITY OF TUALATIN TO SPONSOR AND PROVIDE STAFF SUPPORT FOR THE LOWER TUALATIN RIVER FLOOD CONTROL PROJECT. APPROVAL OF THE CONTRACT SHOULD BE SUBJECT TO LEGAL COUNSEL REVIEW.

Approved subject to legal counsel revisions.

METROPOLITAN SERVICE DISTRICT
BOARD ACTION

NO. 78-1010 DATE 2-24-78

WATKINS
GORDON
MCGAHEY
MILLER
ROBNETT
SLEWIST
SPHUMACHER

NO.	ASST.

John M. Wood
Chairman of the Board

CITY OF TUALATIN

IN THE HEART OF THE BEAUTIFUL
TUALATIN VALLEY

OREGON
97062

February 21, 1978

Mr. Robert Schumacher, Chairman
Board of Directors
Metropolitan Service District
1220 S.W. Morrison
Room 300
Portland, OR 97205

Dear Mr. Schumacher:

Over the past several years, the City of Tualatin has attempted to obtain a solution to flooding on the Lower Tualatin River. The City's, Washington County's and Clackamas County's reaches of the river receive periodic damage from winter flooding. Serious floods have occurred in 1933, 1937 and 1974 with some flood damage occurring this winter. A flood of a 100-year magnitude would place water 5½ feet deep in the core area of downtown Tualatin and would cause substantial damage to residential and commercial structures in the flood area. The U.S. Army Corps of Engineers has proposed at least two solutions to the problem. The first solution was an unacceptable channelization project proposed in the early 1950's and the second was the removal of basalt reefs in the lower portion of the river. The flood control benefits of the reef removal option would extend upstream as far as Hillsboro and provide increased flow control of water in the Lower Tualatin and through Lake Oswego. The Corps has not fully completed its study of the reef removal option, having terminated their initial study approximately two years ago because of budget constraints and lack of broad public support.

The question of public support is critical to the Corps' continuation of the Lower Tualatin study. We have attached a letter from the Corps of Engineers to the City dated January 17, 1978, stating that "although fully coordinated support for the study is not prerequisite to making the study, the more apparent the existence of support becomes, the more supportable becomes a higher study priority, especially when the problem is primarily in one county and the likely solution, which requires sponsorship is in another." Apparently, the Corps is asking the affected local governments to coordinate their efforts before they are willing to reinstitute and complete their previous study.

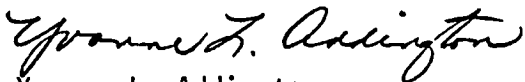
The most obvious governmental body for providing local coordination and sponsorship for a flood control study and/or project would be the Metropolitan Service District. The MSD has the statutory authority to study and solve regional drainage problems and its Board is representative of the region's local governments. The City staff, MSD staff and several MSD Board members met informally on January 24, 1978 to discuss MSD sponsorship of a flood control solution. All agreed that MSD should consider sponsorship of a flood control solution and consequently the City of Tualatin is formally requesting such sponsorship.

Mr. Robert Schumacher
February 21, 1978
Page -2-

The City staff has been working with the MSD staff to develop a scope of services for an intergovernmental agreement that might be entered into between MSD and the City. A proposed agreement is attached for your review. As envisioned, MSD would provide services for the City that would result in the reinstatement of the Corp's Lower Tualatin River flood control study, and provide liaison services between the Federal Government and local governments and citizens. Because the City of Tualatin would receive substantial benefits from any flood control solution, and because MSD does not have any money budgeted for this project, the City would be prepared to fund MSD's costs. The agreement is a phased document that documents only the first phase, that phase being only to effect the reinstatement of the Corps' study. Implementation of phases two and three would be by subsequent agreement.

We wish to thank the MSD Board for considering our request and hope that you may agree to participate in the solution of a regional drainage problem.

Very truly yours,



Yvonne L. Addington
City Administrator

YLA/ma

Attachment



DEPARTMENT OF THE ARMY
 PORTLAND DISTRICT, CORPS OF ENGINEERS
 P. O. BOX 2946
 PORTLAND, OREGON 97208

Circulation Stamp

Date JAN 20 1978
 Rec'd _____

(in cc) Mayor _____
(in cc) Council _____
 Admin. uya _____
 CDD WCB _____
 PWS _____
 Bldg. Insp. _____
 Bkpr. _____
 File _____

NPPEN-PL-5

17 January 1978

Mr. Winslow C. Brooks
 Community Development Director
 City of Tualatin
 P.O. Box 428
 Tualatin, OR 97062

(in cc) Wash. Co. Commissioners
 - Clack. Co. Commissioners
 - Oscar Hagg, Chairman
 Tualatin Dam Phase II
 Committee
 - City of Rivergrove
 - City of Lake Oswego
 cc Dewe B.

Dear Mr. Brooks:

Thank you for your letter of 4 January 1978 requesting that we resume flood control studies in your area. In our earlier work, which was suspended in 1976, we became familiar with the flood problems in your city and the rest of the basin. We determined then that removing reefs in the lower Tualatin River would economically lower floodwaters in your immediate area. Also, it became obvious that the matter of whether or not, or to what degree, reefs should be removed must precede further flood control studies in the upstream portions of the basin. Therefore, upon resumption of the study, the lower river problem would be addressed first.

If a reef-removal project were to be undertaken, replacement of the existing Oregon Iron and Steel Dam, allowing flows into Lake Oswego, would be required because the existing dam rests on one of the reefs. The existing dam, three major reefs, and eight miles of affected river channel lie within Clackamas County. Therefore, Clackamas County and affected municipalities would have a strong interest in the reef-removal plan as now contemplated. Although fully coordinated support for the study is not prerequisite to making the study, the more apparent the existence of that support becomes, the more supportable becomes a higher study priority, especially when the problem is primarily in one county and the likely solution, which requires sponsorship, is in another.

We have no funds for a study this fiscal year (1978). The President's budget for Fiscal Year 1979 is being assembled. If funds for the study are included in the FY 1979 Federal budget, we might be able to resume the study as early as October 1978.

NPPEN-PL-5

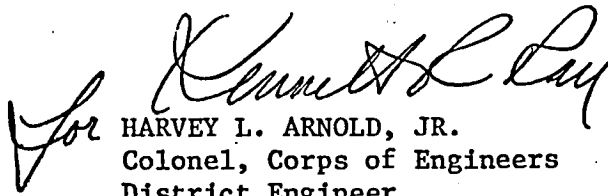
17 January 1978

Mr. Winslow C. Brooks

I do feel that a considerable amount of public involvement activity will be needed in order to explain how the lower river behaves and how changes would affect it. Otherwise, we might well have misunderstandings and unnecessary negative reactions, which could frustrate the implementation of a good plan.

I trust this information is sufficient for your present needs. If we may be of additional service, please contact Mr. Jerry Johnston, our Tualatin Study Manager, at telephone 221-6484.

Sincerely yours,


For HARVEY L. ARNOLD, JR.
Colonel, Corps of Engineers
District Engineer

Copies furnished:

- Mr. Robert Barbo, USBR Salem
- Mr. John Crocket, designated Washington Co. contact on Tualatin Study (with copy Mr. Brooks' letter dated 4 January 1978)
- Mr. Winston Kurth, designated Clackamas Co. contact on Tualatin Study (with copy Mr. Brooks' letter dated 4 January 1978)

AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 1978 between the CITY OF TUALATIN DEVELOPMENT COMMISSION, URBAN RENEWAL AGENCY OF THE CITY OF TUALATIN (U.R.A.), _____, Tualatin, Oregon, and the METROPOLITAN SERVICE DISTRICT, a municipal corporation (MSD), 1220 S.W. Morrison, Portland, Oregon 97205.

PREAMBLE

WHEREAS, land proposed for development by U.R.A. is subject to the hazard of flooding by the waters of the lower Tualatin River, and

WHEREAS, preliminary engineering investigations have indicated that the flood hazard within the boundaries of U.R.A. can best be mitigated by construction of improvements beyond the boundaries of U.R.A., and

WHEREAS, said improvements would benefit and warrant the support of U.R.A. and governmental jurisdictions beyond the boundaries of U.R.A., and

WHEREAS, MSD is a governmental jurisdiction encompassing all of the land that would benefit from said improvements, and

WHEREAS, completion of said improvements entail the following three work phases:

Phase I: Services required prior to the United States Corp of Engineers beginning a feasibility study

Phase II: Services required during the feasibility study

Phase III: Services required during the design and construction of the improvements, and

WHEREAS, this Agreement is for performance of Phase I only,

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

ARTICLE I. SCOPE OF THE WORK

A. This Agreement is exclusively for personal services and related expenses necessary to perform the work described by the Scope of Work, attached hereto as Exhibit A.

B. MSD shall perform the services described by Exhibit A. All services and materials shall be provided in a competent professional manner in accordance with the Scope of Work.

ARTICLE II. COMMENCEMENT AND COMPLETION OF AGREEMENT

Services to be performed under this Agreement shall commence when it has been signed by both parties and shall be completed within six (6) months thereafter.

ARTICLE III. CONTRACT SUM AND TERMS OF PAYMENT

A. U.R.A. will pay MSD for services performed and materials supplied the Contract Sum of Twelve Thousand Dollars (\$12,000.00) upon execution of this Agreement by the parties.

B. In the event that MSD performs the services and delivers the materials required under the Scope of Work for a sum less than Twelve Thousand Dollars (\$12,000.00), after deducting from the Contract Sum all costs and expenses incurred by MSD pursuant to the Scope of Work, then MSD shall refund to U.R.A. that portion of the Contract Sum which exceeds said costs and expenses.

D. In the event that MSD finds its costs and expenses required to complete the Scope of Work will exceed the Contract Sum, MSD shall notify U.R.A. in writing. Within a reasonable time thereafter, the parties shall mutually agree to either increase the Contract Sum or to terminate this Agreement in accordance with Article VI.B.

ARTICLE IV. REPORTS

MSD shall submit to U.R.A. monthly reports showing expenditures and progress of the work described by Exhibit A, attached hereto.

ARTICLE V. LIABILITY
AND INDEMNITY

MSD assumes full responsibility for the content of its work and assumes full responsibility for all liability for bodily injury or physical damage to person or property arising out of or related to this Agreement, and shall indemnify and save U.R.A. harmless from all claims, demands, actions, and expense on account thereof.

ARTICLE VI. TERMINATION

A. This Agreement shall automatically terminate when the actual cost and expense of services performed and materials delivered by MSD equals the Contract Sum.

B. This Agreement may be terminated by either party upon thirty (30) days written notice. In the event of termination, MSD shall pay U.R.A. that portion of the Contract Sum which exceeds the actual costs and expenses of MSD incurred to termination date. Termination pursuant to this provision will not waive any claims or remedies either party has against the other.

ARTICLE VII. PUBLIC CONTRACTS

MSD will comply with all applicable provisions of ORS Chapters 187 and 279 and all other conditions and terms necessary to be inserted into public contracts, as if such provisions were a part of this Agreement.

ARTICLE VIII. AMENDMENT

This Agreement shall not be modified or amended except by written agreement of the parties.

ARTICLE IX. ATTORNEY'S FEES

If any suit or action is instituted in connection with any controversy arising out of this Agreement, the prevailing party shall be entitled to recover, in addition to costs, such sums as the court may adjudge reasonable attorney's fees, and if any appeal is taken from any judgment or decree in such suit or action, the prevailing party shall be entitled to recover such further sum as the appellate court shall adjudge reasonable attorney's fees on appeal.

ARTICLE X. ASSIGNMENT

This Agreement may not under any condition be assigned or transferred by either party.

DATE: _____ URBAN RENEWAL AGENCY FOR THE
CITY OF TUALATIN

By: _____
Chairman

APPROVED AS TO FORM:

By: _____
Urban Renewal Agency Attorney

DATE: _____ METROPOLITAN SERVICE DISTRICT

By: _____
Chairman

APPROVED AS TO FORM:

By: _____
MSD Attorney

EXHIBIT A
SCOPE OF WORK
Lower Tualatin Flood Control Project - Phase I

MSD will perform the following services preliminary to the United States Corp of Engineers beginning a feasibility study on public works project(s) to mitigate the flood hazard on the lower Tualatin River within the boundaries of the U.R.A.:

1. Establish project objectives.
2. Develop detailed work plan and schedules in accordance with project objectives.
3. Gather information on impacted areas, including but not limited to geographical and population statistics, and analyze the effect of the project on impacted and/or benefited areas as necessary to submit to the Congress of the United States or other public bodies.
4. Act as sponsor for the project to the United States Corp of Engineers and seek federal financial support for the project.
5. Seek political support of the project with local jurisdictions and special interest groups.
6. Coordinate and communicate through public meetings or otherwise with:
 - a. U.R.A.
 - b. MSD Board of Directors.
 - c. United States Corp of Engineers.
 - d. City of Tualatin and other local jurisdictions.
 - e. United States Bureau of Reclamation.
 - f. Local politicians.
 - g. Congressional Representatives and Senators.

- f. Local politicians.
 - g. Congressional Representatives and Senators.
 - h. Special interest groups.
 - i. General citizens.
7. Prepare contracts and work scope for MSD's continued involvement, if necessary, in Phase II of the project.
8. Assist the Corps of Engineers and other involved public agencies with the preparation of a work program for Phase II.

78-1011 CONTRACT 77-107 AMENDMENTS - WARNER WALKER & MACY

THE FOLLOWING TWO AMENDMENTS TO THE WARNER WALKER & MACY CONTRACT ON THE ZOO DEVELOPMENT PLAN ARE SUBMITTED FOR YOUR CONSIDERATION:

A. COMPLETION DATES AMENDMENT

WARNER WALKER & MACY HAS REQUESTED THAT THE FEBRUARY 1, 1978, COMPLETION DATE FOR PHASE III BE EXTENDED TO MARCH 24, 1978, FOR THE FOLLOWING REASONS: A) AN INADVERTENT TIME LAPSE DURING PHASES I AND II DUE TO HOLIDAYS AND CANCELLATION OF BOARD MEETING DATES; B) A NEED TO OBTAIN BROADER PARTICIPATION IN DEVELOPING RECOMMENDED PRIORITIES FOR PROJECTS IN THE DEVELOPMENT PLAN; AND C) TO ALLOW MORE TIME FOR ADVANCE STUDY BY THE MEMBERS OF THE MSD BOARD IN ARRIVING AT CRITICAL DECISIONS. IT IS ALSO REQUESTED THAT THE PHASE IV COMPLETION DATE BE EXTENDED FROM MARCH 15, 1978, TO MAY 5, 1978.

IT IS STAFF'S RECOMMENDATION THAT THE BOARD APPROVE EXTENDING THE COMPLETION DATES OF PHASES III AND IV OF THE WARNER WALKER & MACY CONTRACT AS OUTLINED ABOVE.

B. ANIMAL NURSERY INTERIM IMPROVEMENTS

THE FOLLOWING IS A WORK SCOPE SUBMITTED BY WARNER WALKER & MACY FOR AMENDING THEIR BASIC CONTRACT TO INCLUDE DESIGN DEVELOPMENT FOR IMPROVEMENTS TO THE ANIMAL NURSERY. IT IS ANTICIPATED THAT AS SOON AS THE CONSTRUCTION DESIGNS ARE COMPLETED STAFF WILL BE SUBMITTING THE PROJECT TO CONSTRUCTION BIDDING. THE WORK SCOPE IS BASED ON SCHEMATIC DESIGNS AND IMPROVEMENTS PREPARED BY THE KEEPERS AND PLANNING CONSULTANT.

1. VIEWING AREAS: CHANGING THE PEDESTRIAN TRAFFIC PATTERN BY ROUTING VISITORS INSIDE THE EXISTING SOUTH ENTRANCE AND THROUGH THE BUILDING AND OUT A NEW DOOR ON THE NORTH. THIS WILL AVOID THE CONGESTED PATTERN WHERE VISITORS ENTER AND EXIT BY THE SAME DOOR. THE NEW ONE-WAY TRAFFIC PATTERN WILL PROVIDE MORE SPACE FOR VISITORS, WITH AN AISLE WIDTH OF 7' TO 7-1/2' CONTRASTED WITH THE MOSTLY 4' WIDTH NOW IN USE. ONCE THROUGH THE INSIDE VIEWING AREA AND OUTSIDE, VISITORS WILL BE ABLE TO STOP AND VIEW ANIMALS ON THEIR RIGHT. THE CONCRETE BLOCK WALL WILL BE REMOVED AND A NEW FENCE INSTALLED TO CONTROL TRAFFIC. THESE CHANGES WILL BE DESIGNED TO ENHANCE PEDESTRIAN FLOW THROUGHOUT THE CHILDREN'S ZOO AREA.

INSIDE THE VIEWING AREA, A MAJOR CHANGE WILL BE SO THAT VISITORS WILL SEE ANIMALS ONLY ON ONE SIDE. THIS CHANGE WILL INCREASE VIEWING AND CAGE SPACE. THE CAGES WILL LOOK MUCH LIKE THEY DO NOW, WITH GLASS FRONTS.

ON THE VISITOR'S LEFT SIDE WILL BE A WALL FOR GRAPHICS WITH PROJECTIONS TO DIVIDE THE SPACE AND BREAK UP THE CONCRETE WALL. THE GRAPHICS WILL BE USED TO INTEGRATE THE NURSERY INTO THE ZOO'S EDUCATION PROGRAM AND ALSO KEEP THE AREA ATTRACTIVE WHEN THERE ARE NOT MANY ANIMALS. THE DESIGN SHOULD PROVIDE FOR THE USE OF GRAPHICS SUCH AS THE FOLLOWING:

- A) PHOTOS OF PAST RESIDENTS WITH SPECIES, BIRTH RATE, AND AN INDIVIDUAL NOTE.
- B) AN EXPLANATION OF WHERE NURSERY ANIMALS COME FROM AND WHERE THEY GO.
- C) A PHOTO HISTORY OF AN ANIMAL'S LIFE IN THE NURSERY, PERHAPS USING THE TIGER, SHOWING FEEDING, WEIGHING, TEMPERATURE TAKING, RECORD KEEPING, PLAY, ETC.
- D) AN EXPLANATION OF "ALTRICAL" AND "PRECOCIAL" USING PHOTOS (QUAIL VS ROBINS); CAN ALSO COMPARE MAMMEL DEVELOPMENT (LLAMAS VS KITTENS).

- E) AN EXPLANATION OF WHY PEOPLE SHOULD NOT PICK UP FAWNS, BABY SEALS, ETC., FROM THE WILD.
- F) A DISCUSSION OF WILD ANIMALS AS PETS.
- G) A BRIEF PRESENTATION ON HOW MILK FROM DIFFERENT MAMMALS DIFFERS AND HOW WE MUST MATCH THIS COMPOSITION.

ACTUAL GRAPHICS WILL BE PROVIDED BY THE ZOO'S GRAPHICS AND EXHIBITS DEPARTMENT.

2. INSIDE WORK AREA: TO THE NURSERY STAFF, THE WORK SPACE BEHIND THE VISITOR AREA IS CRITICAL. (KEEPER'S DEFINITION OF GOOD ZOO ARCHITECTURE: A BIG DRAIN WITH ANIMALS ON TOP OF IT.) THE SMALL CAGES WILL BE APPROXIMATELY 36" WIDE BY 32" DEEP BY 36" HIGH, SITTING 29" ABOVE THE FLOOR, IN PAIRS WITH OVERHEAD SHIFT PANELS. PROPOSED CONSTRUCTION WILL BE WOOD, COATED WITH FIBERGLASS TO ELIMINATE CRACKS AND PROVIDE A NON-POROUS SURFACE. ALL THESE CAGES WILL NEED REMOVABLE WIRE SCREENS WITH STEEL FRAMES. THE SCREENS SHOULD FIT 4" ABOVE THE CAGE FLOOR. THE TOPS OF THE CAGES ARE SIMILAR REMOVABLE SCREENS. CAGE DOORS SHOULD BE THE SAME AS EXISTING ONES, BUT THE TOP SECTIONS EACH HAVE A 1' X 6' GLASS WINDOW SO THAT ONE CAN LOOK AT AN ANIMAL WITHOUT DISTURBING IT. EACH CAGE WILL NEED A VITA LIGHT ABOVE, WITH A SWITCH AND TWO OUTLETS.

FOUR CAGES WILL DIFFER FROM THIS BASIC PATTERN. ONE IS TO HAVE AN ADJOINING PORCH SO ANIMALS CAN COME AND GO BETWEEN INDOORS AND OUTDOORS. THIS WILL BE USED TO HARDEN ANIMALS THAT EVENTUALLY WILL GO OUTSIDE. TWO CAGES ARE TO BE 32" X 36" WITH SHIFT PANELS DIVIDING THEM TO 32" X 18". ONE IS TO HAVE A POND FOR WATERFOWL. THE OTHER WILL BE FOR BABY QUAIL, TREE SHREWS, OR OTHER TINY ANIMALS. ANOTHER NONSTANDARD CAGE WILL BE AN APPROXIMATELY 4' X 8' X 6' TALL ENCLOSURE. THIS WILL BE GLASS FRONTED; THE BACK AND ONE SIDE SOLID, EXCEPT THAT A WINDOW SHOULD BE ABLE TO BE ADDED, AS SHOWN ON THE

SCHEMATIC PLAN. THE TOP, SIDE AND DOORS ADJOINING THE SERVICE AREA ARE TO BE CYCLONE OR SMALLER MESH HEAVY-DUTY FENCING. AT LEAST ONE AND PREFERABLY TWO DRAINS WILL NEED TO BE INSTALLED SO THIS CAN BE CLEANED, AS WELL AS A NEW HOSE BIBB. THIS BIG, TALL CAGE WILL BE FOR ANIMALS SUCH AS MONKEYS, BEAR CUBS, AND CATS THAT ARE TOO SMALL TO GO OUTSIDE OR THAT NEED ROOM BUT CAN NOT TAKE WINTER TEMPERATURES. BRANCHES AND ROPES SHOULD BE ABLE TO BE ADDED AS NEEDED FOR CLIMBING. SMALL HOOF-STOCK NEEDING A WARM PLACE COULD ALSO BE KEPT HERE.

THE ARRANGEMENT OF CAGES SHOULD LEAVE MUCH MORE WORK SPACE. THE EXISTING WORK AISLES RANGE FROM 3' TO LESS THAN 2'. IN THE REVISED PLAN, THE NARROWEST AISLE SHOULD BE 2'6" AND THE USUAL SHOULD BE 4' OR MORE.

THE DESIGN SHOULD PROVIDE FOR A SINK THAT WILL IMPROVE SANITARY CONDITIONS. NOW THE ONE SINK IS USED FOR BOTH FOOD PREPARATION AND CLEANING. DIRTY DISHES CAN BE ADDITIONALLY CONTAMINATED FROM RINSING CLEANING RAGS. CLEANING BUCKETS ARE FILLED FROM BENEATH THE SINK, SO IF ONE PERSON RINSES OUT A DIRTY RAG IN THE TOP OF THE SINK AND ANOTHER PERSON FILLS A RINSE BUCKET BELOW WITHOUT FIRST FLUSHING THE SINK, FECES END UP IN ANOTHER ANIMAL'S RINSE BUCKET. A SEPARATE CLEANING SINK WILL END THESE POSSIBILITIES. THE SINK SHOULD BE ABOUT A FOOT DEEP AND HAVE ABOUT 8" CLEARANCE ABOVE THE FLOOR WITH FAUCET AND HANDLES AT WAIST HEIGHT. THIS ARRANGEMENT WILL ALLOW ROOM FOR A BUCKET IN THE SINK AND UNDER THE FAUCET, FILL IT, AND LIFT IT ONLY A FOOT TO GET IT OUT, PREVENTING BACK STRAIN. WITH THE SINK 8" OFF THE FLOOR, THE EXISTING DRAIN BENEATH WILL STILL BE USEABLE FOR CLEANING THE FLOOR. NEXT TO THE CLEANING SINK SPACE SHOULD BE PROVIDED FOR A COUNTER WHERE BUCKETS, SANIKLEEN, RAGS, ETC., CAN BE STORED, CONCENTRATING THE CLEANING FACILITIES AND EQUIPMENT IN ONE AREA.

THE DESIGN SHOULD PROVIDE THAT THE VISITOR AREA BE COMPLETELY SEALED OFF FROM THE ANIMAL AREA BY ADDING A 6" CURB, SO THAT WATER ON THE FLOOR CANNOT LEAK BETWEEN. THE CEILING SHOULD ALSO BE CLOSED.

THE PRESENT INCUBATOR BAY WINDOW WORKS WELL AND CAN BE RELOCATED ALONG WITH THE CAGES.

3. KITCHEN: THE DESIGN SHOULD PROVIDE FOR TWO CHANGES IN THE KITCHEN - SUBSTITUTION OF A STACKING WASHER/DRYER FOR THE TWO SEPARATE UNITS EXISTING AND INSTALLATION OF A DISHWASHER.

A STACKING WASHER/DRYER WILL CONSOLIDATE CLOTHES WASHING IN ONE AREA INSTEAD OF HAVING IT SCATTERED FROM ONE SIDE OF THE KITCHEN TO THE OTHER.

WHERE THE EXISTING WASHER IS NOW, NEXT TO THE WATER HEATER, DESIGN A NEW COUNTER WITH PLASTIC LAMINATE TOP AND SHELVES ABOVE WITH STORAGE BELOW FOR FEED BAGS. THIS WILL ALLOW THE FREQUENTLY USED FOOD STUFFS TO BE NEAR THE FOOD PREPARATION AREA. IT ALSO SHOULD PROVIDE LITTLE MORE COUNTER SPACE.

THE CURRENT PROCEDURE FOR HANDLING DIRTY DISHES IS TO WASH IN BETADYNE, PUT IN A DRYING RACK, BOIL FOR 15 MINUTES IN A LARGE POT ON A HOT PLATE ON THE COUNTER, REMOVE FROM THE STERILIZER, LET DRY ON A CLEAN TOWEL, AND PUT AWAY ON SHELVES ABOVE THE COUNTER. THESE OPERATIONS USE 75% OF THE FOOD PREPARATION COUNTER AND LEAVE THE CLEAN DISHES EXPOSED TO FLIES AND COCKROACHES.

USING A FRONT LOADING DISHWASHER INSTEAD OF BOILING THE DISHES WILL FREE THE COUNTER AND REDUCE EXPOSURE TO VERMIN BEFORE AND AFTER CLEANING. TIGHT-FITTING GLASS SLIDING DOORS SHOULD BE DESIGNED TO THE SHELVES ABOVE AND BELOW THE COUNTER TO REDUCE THIS PROBLEM. THE

OREGON STATE BOARD OF HEALTH AND THE MULTNOMAH COUNTY HEALTH DEPARTMENT REQUIRE RESTAURANT DISHWASHERS TO HAVE A FINAL RINSE WITH A WATER TEMPERATURE OF 170 DEGREES.

DESIGN NEW FLOORING FOR THE KITCHEN AND BACK ROOM. THE CONCRETE IS POROUS AND CANNOT BE CLEANED. THE NEW FLOORING SHOULD BE NON-POROUS, NON-SKID, HOSEABLE, LONG-WEARING, AND, SINCE THIS AREA IS ON VIEW, ATTRACTIVE.

4. OUTSIDE RUNS: THE OUTSIDE RUNS WILL REMAIN THE SAME SIZE AND SHAPE, BUT THE NORTH RUN IS TO BE DOUBLE-FENCED TO KEEP VISITORS FROM PETTING THE ANIMALS.

5. DESIGN WILL PROVIDE FOR THE FOLLOWING MISCELLANEOUS IMPROVEMENTS:

- A) RESOLVE ROOF LEAK PROBLEM AND PAINT BOTH INSIDE AND EXTERIOR SURFACES.
- B) PROVIDE A LOFT STORAGE SPACE OVER INSIDE HOLDING PEN.
- C) INSTALLATION OF NEW HEATERS.
- D) INSTALLATION OF A LARGER REFRIGERATOR.

6. BUDGET:

A) VIEWING AREAS	\$ 2,000
B) INSIDE WORK AREA	8,000
C) KITCHEN	6,000
D) OUTSIDE RUNS	2,500
E) MISCELLANEOUS	4,000
F) FEES	2,500
	<u>25,000</u>

THE CONSTRUCTION DESIGN PROJECT DESCRIBED HEREIN SHALL COMMENCE UPON APPROVAL AND SIGNING OF A CONTRACT AMENDMENT AND SHALL BE COMPLETED WITHIN THREE WEEKS FOLLOWING THAT DATE. ALL FEES FOR SERVICE WILL BE FIGURED AT THE SAME RATES AND INVOICED IN THE SAME MANNER AS PROVIDED FOR IN THE ORIGINAL CONTRACT. TOTAL COST FOR THIS AMENDMENT SHALL NOT EXCEED \$2,500.

THE STAFF RECOMMENDS APPROVAL FOR DEVELOPMENT OF AN AMENDMENT TO CONTRACT 77-107 BETWEEN MSD AND WARNER WALKER & MACY FOR CONSTRUCTION DESIGN OF THE ANIMAL NURSERY IMPROVEMENTS AT A COST OF UP TO \$2,500, SUBJECT TO LEGAL COUNSEL REVIEW, AND AUTHORIZATION FOR THE CHAIRMAN'S SIGNATURE.

**METROPOLITAN SERVICE DISTRICT
BOARD ACTION**

NO. 78-1011 DATE 2-24-78

	YES	NO	ABST.
BARTELS	/		
GORDON	/		
MCCREADY	/		
MILLER	/		
ROBNETT	/		
SALQUIST	/		
SCHUMACHER	/		

[Handwritten Signature]
Clerk of the Board

78-1012 TRAVEL REQUEST

FOLLOWING IS A REQUEST FOR THREE PEOPLE TO ATTEND THE WESTERN REGIONAL AAZPA WORKSHOP HOSTED BY THE LOS ANGELES ZOO AND THE GREATER LOS ANGELES ZOO ASSOCIATION. IN ADDITION TO ATTENDING SESSIONS OF GENERAL INTEREST, MR. ILIFF WILL BE SPEAKING AT TWO SESSIONS OF THE WORKSHOP, MR. McCABE WILL BE PARTICULARLY INVOLVED IN THE SESSIONS ON GRAPHICS AND EXHIBITS, AND MR. McCUSKER IN THE SESSIONS ON ANIMAL MANAGEMENT. ADDITIONALLY, MR. ILIFF WILL SPEND TWO DAYS VISITING THE MARKETING DEPARTMENTS OF SEVERAL SOUTHERN CALIFORNIA ATTRACTIONS.

REQUEST FOR STEVE McCUSKER

AIRFARE	\$168.00
LODGING - FOUR NIGHTS	128.00
PER DIEM	60.00
REGISTRATION	35.50
MISCELLANEOUS	<u>35.00</u>
	\$426.50

REQUEST FOR WARREN ILIFF

AIRFARE	\$168.00
LODGING - SIX NIGHTS	192.00
PER DIEM - SIX DAYS	90.00
REGISTRATION	35.50
MISCELLANEOUS	<u>35.00</u>
	\$520.50

REQUEST FOR BILL McCABE

AIRFARE	\$168.00
LODGING - FOUR NIGHTS	128.00
PER DIEM	60.00
REGISTRATION	35.50
MISCELLANEOUS	<u>35.00</u>
	\$426.50

THE FUNDS FOR THE REQUESTED TRAVEL ARE IN THE BUDGET AND THE STAFF RECOMMENDS APPROVAL FOR ALL THREE STAFF MEMBERS TO ATTEND THE WESTERN REGIONAL AAZPA WORKSHOP AT COSTS UP TO THE AMOUNTS SHOWN ABOVE.

METROPOLITAN SERVICE DISTRICT
BOARD ACTION

NO. 78-1012 DATE 2-24-78

	YES	NO	ABST.
BARTELS	/		
GORDON	/		
McCREADY	/		
MILLER	/		
ROBNETT	/		
SALQUIST	/		
SCHUMACHER	/		

Jean M. [Signature]
Chair of the Board

METROPOLITAN SERVICE DISTRICT

REPORT TO MANAGEMENT
February 6, 1978

COOPERS & LYBRAND
CERTIFIED PUBLIC ACCOUNTANTS

METROPOLITAN SERVICE DISTRICT

COOPERS & LYBRAND

CERTIFIED PUBLIC ACCOUNTANTS

IN PRINCIPAL AREAS
OF THE WORLD

The Board of Directors
Metropolitan Service District
Portland, Oregon

Gentlemen:

We have issued, under separate cover, the required statutory 1977 audit report, containing audit comments and disclosures required by state regulations.

This report contains general recommendations resulting from observations made during the course of our audit work in addition to those included in the aforementioned audit report.

We wish to express our appreciation to District personnel for the cooperation and courtesies extended to us during the audit examination. We have reviewed our recommendations with Mr. Charles Kemper, Acting Administrative Director.

We will be pleased to discuss our recommendations with you further or to assist in their implementation.

Very truly yours,

By 
James L. Savage, a partner

Portland, Oregon
February 6, 1978

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A. GENERAL OPERATIONS

1. Accounting System and Control Procedures Should Be Improved.

During our examination we noted the following control deficiencies which resulted in some of the errors disclosed below:

- . Monthly financial reports were not prepared nor reviewed by a responsible official.
- . The general ledger was not posted currently. It was out of balance as of June 30, 1977. Several of the reasons were identified and corrections were made; however, the final adjustment to bring it into balance included an unreconciled difference of \$1,738.
- . General journal entries were not approved by a responsible person and documentation of support for entries was often lacking. Several erroneous entries were noted and corrected.
- . Detail accounts payable records are not maintained. Lack of such control could result in erroneous or duplicate payments, lost discounts and misleading interim financial information.
- . Purchasing procedures, especially for Zoo purchases, were not formalized until June of 1977. We noted several instances where purchase orders were not used and apparently should have been. Lack of such control can result in unauthorized purchases.

A. GENERAL OPERATIONS, Continued

1. Accounting System and Control Procedures Should Be Improved, Continued.

- . Evidence was lacking of supervisory review and approval of the processed payroll, changes to master file, time reports and accounting distribution.
- . Several weaknesses existed in food concession control procedures as outlined in Coopers & Lybrand's report to you entitled "Review of Food Concessions Controls" dated May 31, 1977. Management has indicated implementation of corrective action began in June of 1977.
- . Although not significant, control over miscellaneous accounts receivable was inadequate. Certain accounts were written off at June 30, 1977 (some of which were apparently previously paid but for which the remittance was not properly identified in the accounting records).
- . Control of grant expenditures and reporting was inadequate. Certain amounts relating to grants over a year old are apparently repayable to grantors and should be resolved. Certain HEW grant reports were not timely filed delaying receipt of funds and one June 30, 1977 HEW report could not be located.

We realize that improvements in some of the above areas were made subsequent to and during the fiscal year.

Recommendations:

- . District accounting personnel and management should implement those procedures recommended in the District's

A. GENERAL OPERATIONS, Continued

1. Accounting System and Control Procedures Should Be Improved, Continued.

accounting handbook, and Coopers & Lybrand's reports of "Review of Food Concession Controls" and "User Fee Collection System", or alternate procedures, if required, as soon as practical. Implementation of several of the above procedures began in June of 1977.

. Once implemented, District accounting personnel should periodically monitor adherence to such policies and procedures.

2. Eliminate Johnson Creek Drainage Fund and Dispose of Payable to Jurisdictions.

At June 30, 1977 an amount of \$15,292 is recorded as payable to certain jurisdictions in the Johnson Creek Drainage Fund. The loan is to be repaid from either a user charge or an assessment to benefited property if a Johnson Creek drainage management system is implemented. If the program is not implemented the District will not be liable for the loans. It now appears the drainage program will not be implemented in the near future.

Recommendation:

. . Eliminate loan payable on books of Johnson Creek Drainage Fund by recording a contribution for amount of loan and transferring residual Fund Balance to the General Fund.

A. GENERAL OPERATIONS, Continued

3. Improve Inventory Procedures at the Zoo.

We noted confusion on the part of District employees responsible for physically counting the food concession and gift shop inventories at the Zoo. To ensure accurate physical counts, the following steps should be taken:

- . Written instructions should be issued detailing items to be counted, time, procedures, and who is responsible for designated areas.
- . All counts should be subject to dual control whereby at least one person is independent of the person who normally has control over the inventory.
- . Because of the time involved consideration should be given to engaging an inventory service to count the gift shop inventory.

Greater efficiency and control also could be obtained by establishing a perpetual inventory system which could be a practical application for your new computer. With a perpetual system, reorder prints could be established, which would reduce the possibility of stock outs and promote efficient purchasing operations.

Recommendations:

- . Improve physical inventory procedures as discussed above.
- . Consider establishing perpetual inventory system on new computer.

A. GENERAL OPERATIONS, Continued

4. Establish and Maintain Fixed Asset Detail Ledgers:

With the takeover of the Zoo's fixed assets and the additions to fixed assets required in implementing the District's solid waste management plan, the amount of property the District owns and is responsible for has become quite significant (over \$5,000,000). A detail fixed asset ledger should be established to support the carrying value of fixed assets and annual depreciation charges in the District's financial statements. In addition, detail fixed asset records provide better administrative control over fixed assets.

Recommendations:

- . Establish detail fixed asset ledgers. Logically the fixed asset detail ledgers would be an application of your new computer system. The recent physical inventory of assets on hand at the Zoo should provide a reasonable, accurate base from which to start.

- . Maintain such detail record to reflect current activity including annual depreciation charges for assets held by Solid Waste Fund and, if applicable, an intragovernmental service fund.

B. BUDGETING

1. Clarify Intent Regarding Interfund Transactions in Current Budget.

In the fiscal 1978 budget the General Fund is organized basically to provide general and administrative services to the District's other funds. The cost of these services is to be financed by the other funds transferring monies to the General Fund. We understand the amounts to be transferred are to be based on the estimated actual cost of services provided and that the General Fund's activities will be limited to providing such services. These amounts are budgeted as "interfund transfers" in the current budget. A more appropriate method of budgeting and accounting for these items would be to treat the General Fund as an "Intragovernmental Service Fund" and budget and account for these amounts as revenues (Billings to Other Funds) instead of "interfund transfers" because the intent is apparently for the General Fund to limit its activities to providing inter-fund services. This method is recommended by the American Institute of Certified Public Accountants industry audit guide, Audits of State and Local Governments and by the National Committee on Governmental Accounting.

Budgeting and accounting for such amounts as revenues would also facilitate determining how much actual money to transfer during the year - the original "interfund transfer" appropriation amount or the actual amounts billed to cover the costs of the General Fund.

Recommendations:

- Clarify intent in current budget regarding interfund transactions and scope of General Fund activities.

B. BUDGETING, Continued

1. Clarify Intent Regarding Interfund Transactions in Current Budget, Continued.

Recommendations, Continued:

- . If the intent is to limit General Fund activities to providing services to the other funds, budget and account for the General Fund as an "Intragovernmental Service Fund" and account for payment of services as General Fund revenues (Billings to Other Funds).
2. Clarify Intent of Ordinances Amending Budget.

During fiscal 1977 the budget was amended to provide appropriations for additional grant monies not anticipated in the original budget and to make certain appropriation transfers. However, in reviewing the ordinances amending the budget, it was not apparent if the Board intended to adopt a supplemental budget or to simply authorize appropriation transfers.

Under ORS 294.326 the proceeds of grants received after adoption of original budget may be expended in year of receipt if designated for a specific purpose without adoption of a supplemental budget. However, such amounts may be appropriated to provide better administrative control.

Recommendation:

- . In the future, clarify intent of the District when amending the budget, i.e., specify in the document amending the budget whether these changes represent a supplemental budget, appropriation transfers, or simply administrative appropriations of unanticipated grant funds.

B. BUDGETING, Continued

3. Include the Justification for Use of Contingency Appropriations in Documents Authorizing Transfers.

The Oregon Local Budget Law requires that the contingency appropriation be used for needs that were unforeseen at the time the original budget was prepared. Current ordinances amending the budget do not explain the specific unforeseen reason for use of the appropriation. As a result, documentation supporting use of contingency appropriations does not appear complete.

Recommendation:

- . In the future, require that ordinances or resolutions authorizing transfers from contingency appropriations document the specific reasons for the transfer.

4. Budget Information for Personal Services is Incomplete.

A salary range with specified minimum and maximum amounts is not shown in the 1977 and 1978 fiscal year budgets for employees in appropriate classifications. This is not in conformity with ORS 294.351(4)(a) which provides in part, as follows:

"Estimates of expenditures for personal services. . . shall list the salary for each officer and employe except that employes of like classification and salary range, (such range not to exceed that established by the governing body of the municipal corporation in accordance with its policy for setting salaries) in each organizational unit or activity may be listed by the number of such employes, the limits of each salary range and the amount of their combined salaries." (Emphasis applied.)

B. BUDGETING, Continued

4. Budget Information for Personal Services is Incomplete,
Continued.

Recommendation:

- . Include required information in future budgets.



METROPOLITAN SERVICE DISTRICT

1220 S. W. MORRISON ROOM 300 PORTLAND, OREGON 97205

(503) 248-5470

TO: MSD BOARD

STAFF REPORT ON THE RECOMMENDATIONS
LISTED IN THE AUDITORS MANAGEMENT REPORT
DATED FEBRUARY 6, 1978

ITEM A-1

THE ACCOUNTING PART HERE HAS ALREADY BEEN ADDRESSED IN THE STAFF REPORT FOR THE AUDIT. AT THE JUNE 24, 1977 BOARD MEETING YOU REVIEWED AND APPROVED THE STAFF REPORT ON FOOD CONCESSION CONTROLS AND USER FEE COLLECTION SYSTEM.

ITEM A-2

WE RECENTLY RECEIVED A PETITION ON THE JOHNSON CREEK PROBLEM AND STAFF RECOMMENDS NO ACTION AT THIS TIME ON THIS RECOMMENDATION.

ITEM A-3

THE RECOMMENDATIONS TO IMPROVE THE PHYSICAL INVENTORY HAVE ALREADY BEEN INITIATED EXCEPT FOR THE INVENTORY SERVICE. WE ARE GOING THROUGH THE PROCESS RIGHT NOW REGARDING THE SELECTION OF AN INVENTORY SERVICE. A TRIAL RUN BY ONE COMPANY IS BEING SCHEDULED FOR APRIL AND THE SELECTION PROCESS AND BOARD APPROVAL IS SCHEDULED FOR LATE APRIL OR EARLY MAY. THE BIG PROBLEM IN THIS AREA, AS OUTLINED IN THE JUNE 24TH REPORT, IS THE PERMANENT LOCATION OF THE STORAGE FOR THESE ITEMS. THE AUTOMATED INVENTORY SYSTEM IS ON THE CONVERSION LIST FOR THE COMPUTER BUT THERE ARE STILL A FEW OTHER SYSTEMS AND PROCEDURES OF HIGHER PRIORITY TO COMPLETE FIRST.

ITEM A-4

PART OF THESE RECOMMENDATIONS HAVE BEEN COMPLETED. THE CONVERSION TO THE COMPUTER OF THE FIXED ASSET LEDGER IS SCHEDULED TO BE SET UP FOR THE START OF 1978-79 FISCAL YEAR.

ITEM B-1

STAFF WILL HAVE TO OUTLINE THE ALTERNATIVES AND THE BOARD WILL HAVE TO MAKE SOME DECISIONS ON THIS ITEM.

ITEM B-2

NO STAFF COMMENT, SEE STAFF REPORT FOR AUDIT.

ITEM B-3

THIS WAS DONE RECENTLY FOR CURRENT YEAR AND WILL BE DONE IN THE FUTURE.

ITEM B-4

(SAME AS B-3).

