



METROPOLITAN SERVICE DISTRICT

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

(503) ~~222-8571~~ 248-5470

MSD BOARD OF DIRECTORS

WASHINGTON PARK ZOO
EDUCATION BUILDING
4001 SW CANYON ROAD

JUNE 23, 1978
2:00 P.M.

A G E N D A

78-1082

MINUTES

78-1083

PUBLIC COMMUNICATIONS

ADMINISTRATIVE DIVISION

78-1084

CASH DISBURSEMENTS

78-1085

ORDINANCE NO. 60 - EMERGENCY

AN ORDINANCE ADOPTING THE ANNUAL BUDGET OF THE METROPOLITAN SERVICE DISTRICT FOR THE FISCAL YEAR BEGINNING JULY 1, 1978, MAKING APPROPRIATIONS FROM THE FUNDS OF THE DISTRICT IN ACCORDANCE WITH SAID ANNUAL BUDGET, LEVYING OF AD VALOREM TAXES, AND DECLARING AN EMERGENCY

78-1086

CONTRACT 78-161 - PORTLAND STATE UNIVERSITY WORK STUDY PROGRAM

SOLID WASTE DIVISION

78-1087

DISPOSAL SITING ALTERNATIVES

ZOO DIVISION

78-1088

ORDINANCE NO. 59 - SECOND HEARING

AN ORDINANCE ESTABLISHING FEES FOR ADMISSION TO THE WASHINGTON PARK ZOO

Mailed to attached + Henry Kane 6-15-78

CRITERIA FOR ADMISSION PASSES TO
THE Zoo, A PROCEDURE FOR ALLOWING
SPECIAL DAYS, AND DECLARING AN
EMERGENCY

78-1089

EMPLOYEE UNIFORM BID AWARD

78-1090

CONTRACT 78-151 - JAMES RICCIO CONTRACT
EXTENSION

78-1091

CONTRACT 76-021 - TED HALLOCK CONTRACT
EXTENSION

78-1092

ZOO ADVISORY COMMITTEE APPOINTMENTS

OTHER BUSINESS

INFORMATIONAL REPORTS

MSD BOARD GENERAL INTERESTED PERSONS LISTING - JANUARY 1977

Revised March 14, 1977

Alfred A. Hampson
Hampson & Bayless
505 Pacific Building
Portland, Ore. 97204

Mrs. John Hoffman
Oak Lodge Com. Council
14455 SE Fair Oaks Lane
Milwaukie, Ore. 97222

Milwaukie Review
1926 Washington Street
Milwaukie, Ore. 97222

Sally McCracken
6215 SE Reed College Pl.
Portland, Ore. 97202

Bob Brown
Dept. Environ. Quality
Yeon Building
Portland, Ore. 97204

Daily Journal of Commerce
2014 NW 24th
Portland, Ore. 97210

Associated General
Contractors
1008 NE Multnomah
Portland, Ore. 97232

League of Women Voters
519 SW third
Portland, Ore. 97204

Willamette Week
320 SW Stark
Portland, Ore. 97204

Mr. C. W. Leichner
1508 Standard Plaza
Portland, Ore. 97204

Oregonian
1320 SW Broadway
Portland, Ore. 97201

The Community Press
6960 SW Sandburg Rd.
Tigard, Oregon 97230

Newsroom - Alesko

Mr. Demar Batchelor
139 NE Lincoln
Hillsboro, Ore. 97123

Oregon Journal
1320 SW Broadway
Portland, Ore. 97201
Newsroom - Pement

Mr. Dave Phillips
Dept. Public Works
902 Abernathy Road
Oregon City, Ore. 97045

Dale Harlan
2202 SE Lake Road
Milwaukie, Ore. 97222

Enterprise-Courier
10th and Main
Oregon City, Ore. 97045

Mr. Jerry Powell
Portland Recycling Team
1801 NW Irving
Portland, Oregon 97209

Alayne C. Woolsey
818 Fourth Street
Oregon City, Ore. 97045

Forest Grove News Times
Forest Grove, Ore. 97116

Jeanne McCormick
400 SW Sixth
Room 558
Portland, Oregon 97204

Oregonian
Metro Calendar
1320 SW Broadway
Portland, Ore. 97201

Gresham Outlook
226 N Main Avenue
Gresham, Oregon 97030

Mr. John Trout
Business Agent Local 281
1020 NE 3rd Ave.
Portland, Ore. 97232

Hillsboro Argus
Hillsboro, Ore. 97123

Mr. Mike Sandberg
Dept. of Public Health
150 N First Street
Hillsboro, Ore. 97123

Erma Ebans
811 Oak Grove Blvd.
Milwaukie, Ore. 97222

Lake Oswego Review
436 First Street
Lake Oswego, Oregon 97034

Alfred Simonson
P.O. Box 631
Oregon City, Ore. 97045

June 14, 1978

Daily Journal of Commerce
2014 NW 24th Avenue
Portland, Oregon 97210

Enclosed is a notice of the June 23, 1978, Board meeting.
Please publish one time on Friday, June 16, 1978.

Thanks.

Jean M. Woodman
Clerk of the Board

encl.

METROPOLITAN SERVICE DISTRICT

NOTICE is hereby given that on Friday, June 23, 1978, the governing body of the Metropolitan Service District, will meet in regular session, at 2:00 P.M., Education Building, Washington Park Zoo, 4001 SW Canyon Road, Portland, to consider the following items of business:

- . Minutes
- . Public Communications
- . Cash Disbursements
- . Ordinance No. 60 - Emergency, an ordinance adopting the annual budget of the Metropolitan Service District for the fiscal year beginning July 1, 1978, making appropriations from the funds of the District in accordance with said annual budget, levying of ad valorem taxes, and declaring an emergency
- . Contract 78-161 - Portland State University Work Study Program
- . Disposal Siting Alternatives
- . Ordinance No. 59 - Second Hearing, an ordinance establishing fees for admission to the Washington Park Zoo, criteria for admission passes to the Zoo, a procedure for allowing special days, and declaring an emergency
- . Employee Uniform Bid Award
- . Contract 78-151 - James Riccio Contract Extension
- . Contract 76-021 - Ted Haddock Contract Extension
- . Zoo Advisory Committee Appointments
- . Other Business
- . Informational Reports

Agenda item material will be available for public viewing at the Board meeting and at the MSD Office, 1220 SW Morrison, Portland.



METROPOLITAN SERVICE DISTRICT

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

(503) ~~2238571~~ 248-5470

MSD BOARD OF DIRECTORS

WASHINGTON PARK ZOO
EDUCATION BUILDING
4001 SW CANYON ROAD

JUNE 23, 1978
2:00 P.M.

A G E N D A

78-1082
78-1083

MINUTES
PUBLIC COMMUNICATIONS

ADMINISTRATIVE DIVISION

78-1084
78-1085

CASH DISBURSEMENTS
ORDINANCE NO. 60 - EMERGENCY
AN ORDINANCE ADOPTING THE ANNUAL
BUDGET OF THE METROPOLITAN SERVICE
DISTRICT FOR THE FISCAL YEAR BEGIN-
NING JULY 1, 1978, MAKING APPROPRIA-
TIONS FROM THE FUNDS OF THE DISTRICT
IN ACCORDANCE WITH SAID ANNUAL BUDGET,
LEVYING OF AD VALOREM TAXES, AND
DECLARING AN EMERGENCY

78-1086

CONTRACT 78-161 - PORTLAND STATE
UNIVERSITY WORK STUDY PROGRAM

SOLID WASTE DIVISION

78-1087

DISPOSAL SITING ALTERNATIVES

ZOO DIVISION

78-1088

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ADMISSION TO THE WASHINGTON PARK ZOO

CRITERIA FOR ADMISSION PASSES TO
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METROPOLITAN SERVICE DISTRICT

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

(503) ~~222-3871~~ 248-5470

MSD BOARD OF DIRECTORS

WASHINGTON PARK ZOO
EDUCATION BUILDING
4001 SW CANYON ROAD

JUNE 23, 1978
2:00 P.M.

A G E N D A

<u>PAGE</u>	<u>ACTION RECORD NUMBER</u>	
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<u>ADMINISTRATIVE DIVISION</u>		
12	78-1084	CASH DISBURSEMENTS
13	78-1085	ORDINANCE NO. 60- EMERGENCY AN ORDINANCE ADOPTING THE ANNUAL BUDGET OF THE METROPOLITAN SERVICE DISTRICT FOR THE FISCAL YEAR BEGIN- NING JULY 1, 1978, MAKING APPROPRIA- TIONS FROM THE FUNDS OF THE DISTRICT IN ACCORDANCE WITH SAID ANNUAL BUDGET, LEVYING OF AD VALOREM TAXES, AND DECLARING AN EMERGENCY
14	78-1086	CONTRACT 78-161 - PORTLAND STATE UNIVERSITY WORK STUDY PROGRAM

INFORMATIONAL REPORTS

SOLID WASTE DIVISION

- . WHITE WELD FINANCIAL REPORT RESOURCE RECOVERY FACILITY

ZOO DIVISION

- . OREGON COAST EXHIBIT

78-1082 MINUTES

THE FOLLOWING PAGES CONTAIN THE MINUTES OF THE JUNE 9, 1978, BOARD MEETING. THE STAFF RECOMMENDS APPROVAL OF THE BOARD MINUTES.

78-1083 PUBLIC COMMUNICATIONS

THIS AGENDA ITEM ALLOWS THE BOARD TO RECEIVE COMMENTS FROM THE PUBLIC ON MATTERS NOT LISTED ON THE MEETING AGENDA.

78-1084 CASH DISBURSEMENTS

THE ACCOUNTING DEPARTMENT HAS PREPARED CHECKS NUMBERED FROM 2840 TO 2948 FROM PAYMENT REQUESTS RECEIVED WHICH WERE APPROVED AS WITHIN THE MSD BUDGET.

THE STAFF RECOMMENDS APPROVAL FOR PAYMENT OF CHECKS No. 2840 TO 2948 FOR CHECK REGISTERS DATED JUNE 22, 1978, IN A TOTAL AMOUNT OF \$12,961.87, AND JUNE 23, 1978, IN A TOTAL AMOUNT OF \$34,099.65.

METROPOLITAN SERVICE DISTRICT
BOARD ACTION

NO. 78-1084 DATE 6-23-78
YES NO ABST.

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

Paul Wood
Clerk of the Board

78-1085 ORDINANCE NO. 60 - EMERGENCY

AN ORDINANCE ADOPTING THE ANNUAL BUDGET OF THE METROPOLITAN SERVICE DISTRICT FOR THE FISCAL YEAR BEGINNING JULY 1, 1978, MAKING APPROPRIATIONS FROM THE FUNDS OF THE DISTRICT IN ACCORDANCE WITH SAID ANNUAL BUDGET, LEVYING OF AD VALOREM TAXES, AND DECLARING AN EMERGENCY.

NOTE: DUE TO TIME CONSTRAINTS, THIS STAFF REPORT WAS PREPARED PRIOR TO THE TSCC HEARING. ANY CHANGES AS A RESULT OF THE TSCC HEARING WILL BE PRESENTED AT THE BOARD MEETING ON JUNE 23, 1978.

ON JUNE 22, 1978, THE MULTNOMAH COUNTY TAX SUPERVISING AND CONSERVATION COMMISSION (TSCC) CONDUCTED A PUBLIC HEARING ON THE MSD FY 78-79 BUDGET. AT THIS HEARING THE MSD STAFF PRESENTED THE APPROVED BUDGET AND WERE AVAILABLE TO ANSWER ANY QUESTIONS FROM THE TSCC OR THE PUBLIC. NO COMMENTS HAVE BEEN RECEIVED FROM THE PUBLIC AND AT THE TIME OF WRITING THIS STAFF REPORT, MSD HAS NOT RECEIVED ANY WRITTEN COMMENTS, OBJECTIONS NOR RECOMMENDATIONS FROM TSCC.

THE BUDGET REMAINS THE SAME AS THAT APPROVED BY THE MSD BOARD ON MAY 12, 1978. AS INDICATED ABOVE, TSCC HAS NOT YET SUBMITTED WRITTEN COMMENTS. IT SHOULD BE NOTED THAT THE MSD CAN ADOPT THE BUDGET PRIOR TO FORMAL NOTIFICATION BY THE TSCC. IF THE TSCC CERTIFICATION IS SUBJECT TO CONDITIONS, THOSE CONDITIONS CAN BE ADDRESSED BY THE BOARD AT THE FIRST MEETING IN JULY (JULY 14, 1978).

THE STAFF RECOMMENDS CONDUCTING A PUBLIC HEARING AND ADOPTING EMERGENCY ORDINANCE No. 60 BY UNANIMOUS VOTE. METROPOLITAN SERVICE DISTRICT BOARD ACTION

Adopted as amended.

78-1085 6-23-78

- BARTELS
- BOSWORTH
- MCCREADY
- MILLER
- ROBNETT
- SALQUIST
- SCHUMACHER

	NO	ABST.
BARTELS	/	
BOSWORTH	/	
MCCREADY	/	
MILLER	/	
ROBNETT		
SALQUIST		
SCHUMACHER		

Jean M. Wood
Board

METROPOLITAN SERVICE DISTRICT

ORDINANCE NO. 60

An ordinance adopting the annual budget of the Metropolitan Service District for the fiscal year beginning July 1, 1978 making appropriations from the funds of the District in accordance with said annual budget; levying of ad valorem taxes; and declaring an emergency so that the budget may be adopted for the fiscal year beginning July 1, 1978, and so that the fiscal obligations of the District may be met.

ORDINANCE NO. 60

THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:

SECTION 1. The Board of Directors of the Metropolitan Service District (MSD) finds that the Multnomah County Tax Supervising and Conservation Commission held its public hearing June 22, 1978, on the annual budget of the MSD for the fiscal year beginning July 1, 1978, and ending June 30, 1979.

SECTION 2. The FY 1978-79 Budget of the Metropolitan Service District as presented at the hearing of the Multnomah County Tax Supervising and Conservation Commission on June 22, 1978, is hereby adopted.

SECTION 3. The Board of Directors of the Metropolitan Service District does hereby levy ad valorem taxes for the Zoo Fund as provided in the budget adopted by Section 2 of this ordinance in the amount of two million dollars (\$2,000,000), said levy being a five-year serial levy outside the 6% constitutional limit approved by district voters on May 25, 1976, and that these taxes be, and hereby are, levied and assessed on those taxable properties within the taxing district.

SECTION 4. To authorize expenditures in accordance with the annual budget adopted by Section 2 of this ordinance, amounts are hereby appropriated for the fiscal year beginning July 1, 1978, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit A, attached hereto and by reference made a part of this ordinance.

SECTION 5. The Manager shall make the following filings as provided by ORS 294.555 and ORS 310.060,

1. Multnomah County Assessor.

.1 An original and one copy of the Notice of Levy marked Exhibit B, attached hereto and made a part of this ordinance.

.2 Two copies of the budget document adopted by Section 2 of this ordinance.

.3 A copy of the Notice of Publication provided for by ORS 294.421.

2. Clackamas and Washington County Assessor and Clerk.

.1 A copy of the Notice of Levy, marked Exhibit B.

.2 A copy of the budget document adopted by Section 2 of this ordinance.

SECTION 6. The immediate adoption of this ordinance being necessary in order that the attached budget will be in effect by the beginning of the fiscal year of July 1, 1978, an emergency is declared to exist, and this ordinance takes effect upon passage.

Date: June 23, 1978

Robert Schumacher, Chairman

METROPOLITAN SERVICE DISTRICT

BUDGET FY 1978 - 1979
 SCHEDULE OF APPROPRIATIONS

E X H I B I T A

General Fund

Administrative Division		
Personal Services	\$ 85,245	
Materials & Services	107,219	
Capital Outlay	<u>2,745</u>	
Total Administrative Division		\$195,209
Contingency		\$ 17,000
Unappropriated Balance		<u>525</u>
Total General Fund		\$212,734

Drainage Fund

Materials & Services	400	
Transfer to other funds	<u>3,000</u>	
Total Drainage Fund		\$ 3,400

Solid Waste Fund

Solid Waste Division		
Personal Services	\$190,356	
Materials & Services	252,565	
Capital Outlay	<u>3,110</u>	
Total Solid Waste Division		\$446,031
Reserve for Vehicles		2,660
Contingency		72,326
Transfer to Other Funds		460,502
Unappropriated Balance		<u>233,516</u>
Total Solid Waste Fund		\$1,215,035

Solid Waste Debt Service Fund

Interest/Principal, DEQ Loans	\$434,720
Debt Service	<u>191,910</u>
Total Solid Waste Debt Service Fund	626,630

Solid Waste Capital Improvement Fund

Projects	10,691,000
Transfer to Other Funds	<u>186,000</u>
Total Solid Waste Capital Improvement Fund	\$10,877,000

Zoo Fund

Zoo Division

Administrative Dept.

Personal Services	186,963
Materials and Services	149,228
Capital Outlay	<u>3,967</u>

Total Administrative Dept. 340,158

Visitor Services Dept.

Personal Services	190,809
Materials and Services	217,156
Capital Outlay	<u>25,850</u>

Total Visitor Services Dept. 433,815

Education Dept.

Personal Services	169,600
Materials & Services	53,370
Capital Outlay	<u>8,850</u>

Total Education Dept. 231,820

Buildings and Grounds Dept.	
Personal Services	380,809
Materials and Services	276,507
Capital Outlay	<u>26,371</u>
Total Buildings and Grounds Dept.	683,687
Animal Management Dept.	
Personal Services	513,002
Materials and Services	177,490
Capital Outlay	<u>18,510</u>
Total Animal Management Dept.	709,002
Research Grant	
Personal Services	38,970
Materials and Services	3,580
Capital Outlay	<u>1,000</u>
Total Research Grant	43,550
General Capital Improvements	
Capital Outlay	<u>1,708,471</u>
Total General Capital Improvements Dept.	1,708,471
Total Zoo Division	4,150,503
Contingency	275,728
Transfer to General Fund	174,272
Unappropriated Balance	30,000
Total Zoo Fund	4,630,503

City/Zoo Capital Improvement Fund

Contingency	\$186,226
Total City/Zoo Capital Improvement Fund	\$186,226

TOTAL ALL FUNDS	\$17,751,528
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OFFICE OF PROPERTY TAX LEVY
 Clack., Mult., Wash.,
 TO THE ASSESSOR OF _____ COUNTY

FORM LB - 50

SPECIAL LEVIES MUST BE LISTED ON THE REVERSE SIDE

Part I: TOTAL AD VALOREM TAX LEVY

On June 23, 19 78, the Board of Directors
(Governing Body)
 of Metropolitan Service District, Clack., Mult., Wash. County, Oregon, levied a tax as follows:
(Municipal Corporation)

1. Levy within the tax base determined in Part II	-0-
2. Special levies outside the tax base as scheduled on the reverse of this form	\$2,000,000
3. The amount levied for the payment of bonded indebtedness	-0-
4. The amount of money to be raised by taxation (total of Lines 1, 2, and 3)	\$2,000,000

Part II: TAX BASE WORKSHEET

A. VOTED TAX BASE, IF ANY - On _____, 19____, a majority of the voters
 approved a tax base in the amount of _____

B. 6% CONSTITUTIONAL LIMITATION AND ANNEXATION INCREASES

Tax Base Portion of Preceding Three Levies

7-1-19____	7-1-19____	7-1-19____
1. Largest of the three amounts noted above multiplied by 1.06.		

C. ADJUSTMENT FOR ANNEXATION INCREASES DURING PRECEDING FISCAL YEAR

2. True Cash Value of area annexed on _____, 19____	
3. Tax Base Rate per \$1,000 True Cash Value of annexing entity	
4. Annexation Increase (Line 2 times Line 3) multiplied by 1.06.	

D. ADJUSTED TAX BASE (The larger of Line 1 plus Line 4; OR the Voted Tax Base plus Line 4)

Part III: LIMITATIONS PER OREGON REVISED STATUTES

A. The amount of lines 1 and 2 in Part I levied within the limitation of ORS _____ is

B. The amount of lines 1 and 2 in Part I levied outside the limitation of Item A, but within the limitation of ORS _____ and approved by a majority of the voters as scheduled on the reverse of this form is

INSTRUCTIONS ON REVERSE SIDE

Date: June 23, 19 78

By: _____ Title: Chairman
(Signature of Authorized Official)

THIS NOTICE MUST BE FILED NO LATER THAN JULY 15

SPECIAL LEVIES

Purpose of Levy	Date Approved	Annual Levy in mills (1)	Maximum Levy in Dollars (2)	First Year Levied	Final Year To Be Levied	Continuing Tax Authorized Each Year	Total Tax Authorized	Tax Levied This Year
Zoo	May 25, 1976			1976	1981	\$2,000,000	\$10,000,000	\$2,000,000
Total Special Levies—Attach Additional Schedule if Necessary (Transfer Total to Line 2, Part I)								

(1) (If Approved Before July 21, 1953) (2) (If Approved Sept. 13, 1967 to Jan. 1, 1972)

GENERAL INSTRUCTIONS

The Notice of Property Tax Levy is used to certify the ad valorem tax levy of your district to the county assessor.

The Notice is to be completed after the public hearing(s) has been held, the proper ordinance or resolution enacted, the appropriations made and the ad valorem tax levy determined. The Notice is to be submitted to your county assessor on or before July 15. Should circumstances exist that prevent this form from being filed by July 15, an extension of time must be requested from your county assessor.

The Notice of Property Tax Levy, a true and complete copy of the adopted budget document, and proof of publication (either a newspaper clipping; or, if posted or mailed, a copy of the summary) are to be distributed as follows:

- (1) One copy to the county clerk.
- (2) Two copies to the assessor of each county in which the district is located.
- (3) One copy to the county treasurer if the district's bonded indebtedness is paid by that office. School districts are also required to send one copy to the County School Superintendent or IED Superintendent, and one copy to the Oregon Board of Education, Management Information Services, Salem, OR 97310.

SPECIFIC INSTRUCTIONS:

PART I—Enter the date, name of governing body, name of municipal corporation, and county in the appropriate spaces.

Line 1—Enter the portion of the tax levy that is within your tax base as computed in Part II.

Line 2—Enter the total of those special levies (operations, serial, continuing fixed) that were approved by a vote of the people and scheduled above under Special Levies.

Line 3—Enter the portion of that tax levy necessary for the payment of bonded indebtedness (usually the same amount as published).

Line 4—The total tax levy must be equal to or less than the amount published in the newspaper. If the total tax levy is greater than that amount published, the municipal corporation must republish the entire budget summary with revisions and hold another public hearing.

PART II—Section A: Enter the municipal corporation's voted tax base, if any, in the space provided.

Section B: Enter the tax base portion of the preceding three levies in the boxes provided and indicate the year of the levy.

Line 1—Multiply the largest of the three levies by 1.06 and enter the amount in the appropriate space.

Line 2—If the municipal corporation has annexed adjoining property during the last fiscal year ending June 30, enter the date of annexation and the true cash value of the annexed property during the last fiscal year. If more than one annexation, please attach an additional schedule listing separately the date of annexation and true cash value of the annexed property during the last fiscal year.

Line 3—Enter last year's tax base rate per \$1,000 of assessed value.

Line 4—Multiply the amount entered on line 2 by line 3. Multiply the answer by 1.06 to determine the annexation increase to the tax base.

EXAMPLE:

Assessed Value of Annexing Entity—Last Year	\$400 Million
Tax Base of Annexing Entity—Last Year	\$2 Million
Tax Base Rate (2,000,000 ÷ 400,000,000 = .005)	\$5 per \$,1000
Assessed Value of Annexed Area—Last Year	\$100 Million
Annexation Increase (\$100,000,000 x .005 x 1.06)	\$530,000

PART III—All municipal corporations are subject to a 6% levy limitation imposed by the Oregon Constitution, and some are further limited by statutory provisions. For those districts that are subject to statutory limitations such as hospital districts, road districts, vector control districts, etc., complete items A and B by inserting the appropriate statute and dollar amount the district can levy within and outside those statutory limitations.

NOTE: If you have difficulty completing this form, assistance may be obtained from your county assessor or by contacting the Oregon Department of Revenue, Local Budget Unit (Phone 378-3749, Salem).

78-1086 CONTRACT 78-161 - PORTLAND STATE UNIVERSITY WORK STUDY PROGRAM

THIS AGENDA ITEM IS A REQUEST FOR WORK STUDY STUDENTS FROM PORTLAND STATE UNIVERSITY. EIGHT STUDENTS ARE REQUESTED WITH SEVEN BEING UTILIZED BY THE ZOO DIVISION AND ONE BY THE SOLID WASTE DIVISION FOR PART-TIME WORK DURING THE SCHOOL YEAR AND FULL-TIME WORK DURING THE SUMMER.

THE ZOO DIVISION WILL UTILIZE THESE PEOPLE PRIMARILY FOR

- . GRAPHICS AND SIGNS PREPARATION
- . EXISTING GRANT RESEARCH ASSISTANCE
- . INSECT AND CHILDRENS ZOO ASSISTANCE

THE SOLID WASTE DIVISION WOULD USE THE WORK STUDY STUDENT FOR COMPUTER DATA INPUT AND ASSISTING THE SOLID WASTE TECHNICIAN.

THE CONTRACT DURATION IS FROM JUNE 16, 1978, THROUGH JUNE 15, 1979. ESTIMATED CONTRACT COMMITMENT TO MSD IS \$5,000. COSTS WILL BE CHARGED TO THE RESPECTIVE DIVISION AND DEPARTMENT PERSONAL SERVICES PART-TIME LINE ITEM.

THE STAFF RECOMMENDS APPROVAL OF CONTRACT 78-161 FOR PORTLAND STATE UNIVERSITY WORK STUDY PROGRAM AND AUTHORIZE THE CHAIRMAN TO SIGN THE CONTRACT.

METROPOLITAN SERVICE DISTRICT
BOARD ACTION

NO. 78-1086 DATE 6-23-78

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

John M. [Signature]
Chairman, Board

78-1087 DISPOSAL SITING ALTERNATIVES REPORT

THROUGHOUT THE PREVIOUS THREE MONTHS, VARIOUS INFORMATIONAL COMMITMENTS HAD BEEN MADE TO THE MSD BOARD REGARDING THE SOLID WASTE PROGRAM. ONE OF THESE KEY ITEMS, THE DISPOSAL SITING ALTERNATIVES REPORT IS SCHEDULED FOR FINAL CONSIDERATION BY THE MSD BOARD AT THIS MEETING.

TWO OCCURRENCES PREVENT FINAL CONSIDERATION OF THE REPORT. THE PURPOSE OF THIS AGENDA ITEM IS TO EXPLAIN THE DELAY AND PRESENT THE CURRENT STATUS OF THE DISPOSAL SITING ALTERNATIVES REPORT.

REASONS FOR DELAY

AT THE JUNE 9 MEETING THE MSD BOARD INDICATED SOME CONCERN FOR THE COVER REQUIREMENT MINIMUM STANDARD CURRENTLY IN USE BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY. THE DISPOSAL SITING ALTERNATIVES REPORT IDENTIFIES COVER MATERIAL AS A MAJOR COST FACTOR IN THE DEVELOPMENT OF A LANDFILL. ALTHOUGH REDUCING COVER MATERIAL REQUIREMENTS MAY LOWER THE PROJECTED DISPOSAL COST OF A LANDFILL, SOME OF THE MORE CENTRALLY LOCATED SITES MAY BE PRECLUDED FOR SOME OF THE AESTHETIC REASONS COVER MATERIAL ADDRESSES. PURSUANT TO THE BOARD'S REQUEST, STAFF IS NOW ANALYZING THE BASIS FOR CURRENT MINIMUM REQUIREMENTS FOR COVER.

A SECOND REASON FOR DELAY CONCERNS THE INABILITY OF STAFF TO RESOLVE THEIR DIFFERENCES WITH DEQ STAFF REGARDING THE USE OF GRAVEL PITS THROUGHOUT THE METROPOLITAN AREA. THE REPORT IDENTIFIES THESE GRAVEL PITS AS ESSENTIAL FEATURES IN THE DISPOSAL ALTERNATIVES AVAILABLE TO THE MSD.

PRESENT STATUS

THE STAFF HAS DISTRIBUTED APPROXIMATELY 85 COPIES OF THE REPORT TO VARIOUS INDIVIDUALS, SPECIAL INTEREST GROUPS, LOCAL JURISDICTIONS, THE DEPARTMENT OF ENVIRONMENTAL QUALITY AND THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY. A SPECIAL MEETING WAS HELD ON MAY 17 TO RECEIVE THE COMMENTS FROM THE PUBLIC AND TO EXPLAIN THE REPORT AS NECESSARY. ONLY TWO PEOPLE ATTENDED.

WRITTEN COMMENTS WERE RECEIVED FROM WASHINGTON COUNTY, THE CITY OF TIGARD AND THE ENVIRONMENTAL PROTECTION AGENCY. THE REPORT HAS BEEN DISCUSSED AT NUMEROUS TIMES IN FRONT OF THE SOLID WASTE ADVISORY COMMITTEE. ALL OF THE WRITTEN COMMENTS HAVE BEEN INCORPORATED INTO THE REPORT AND THE SOLID WASTE ADVISORY COMMITTEE VOTED TO RECOMMEND ADOPTION OF THE REPORT BY THE MSD BOARD AT THEIR JUNE 9 MEETING.

PENDING RESOLUTION OF THE COVER REQUIREMENT AND GRAVEL PIT POSITIONS, MSD STAFF WILL REQUEST ADOPTION OF THE REPORT BY THE BOARD.

DISPOSAL SITING ALTERNATIVES
SUMMARY

JULY 1978



OBJECTIVES

In August, 1977, the Metropolitan Service District Board of Directors authorized staff to accomplish work which would:

1. Develop a list of potential landfill and transfer station sites and compile all readily available information;
2. Develop reliable waste generation estimates and forecasts;
3. Compare advantages and disadvantages of siting alternative systems;
4. Analyze the effect of alternatives on existing solid waste collection and disposal practices;
5. Consider feasibility of using gravel pits as sanitary landfills; and
6. Prepare a plan for the MSD Board and recommend priorities for site development.

FINDINGS AND RECOMMENDATIONS

Findings

1. The study provided no sites which had not been previously identified for their landfill feasibility.
2. A number of sites considered in earlier reports were eliminated from further consideration because of obstacles or problems in their implementation.
3. The cost of landfilling in new or expanded sites is projected to be double existing disposal related costs.
4. Citizen reaction, land use decision processes and attitudes about solid waste are the greatest obstacles to implementing new landfills.
5. No single site identified in the study meets all the requirements for implementation by local land use authorities and state and federal agencies.

6. The difficulty of siting new landfills is increased by the need for providing dumping facilities for citizens hauling their own waste.

7. Solid waste weight measurements maintained since May, 1977 have increased the reliability of solid waste projections. Actual weighed quantities compare favorably with previous projections by COR-MET and subsequent refinements.

8. The Department of Environmental Quality offers little encouragement on the feasibility of the majority of sites considered in the report. DEQ favors expansion of St. Johns Landfill outward more than upward expansion and offers some encouragement for both proposals.

9. Based on this report, the lowest cost disposal alternative for the future 20-year period results from filling close-in gravel pits, one at a time, constructing a transfer station after approximately ten years and utilizing a more remote site upon completion of the gravel pit.

a. Construction of a transfer station sooner increases disposal related costs, but reduces haul costs and provides greater flexibility in solid waste management.

b. Construction of a processing station slightly increases disposal related costs but reduces reliance on landfilling and extends the life of lower cost, close-in sites.

10. Preliminary information provided by Publishers Paper Company and Bechtel, engineering consultants for Publishers, indicates slight economic difference between systems employing solid waste processing with energy recovery and a system relying completely on landfills.

Recommendations

1. In that citizen impact is lower and implementation therefore more feasible for an existing site, MSD should support whatever expansion of St. Johns Landfill that can be made.

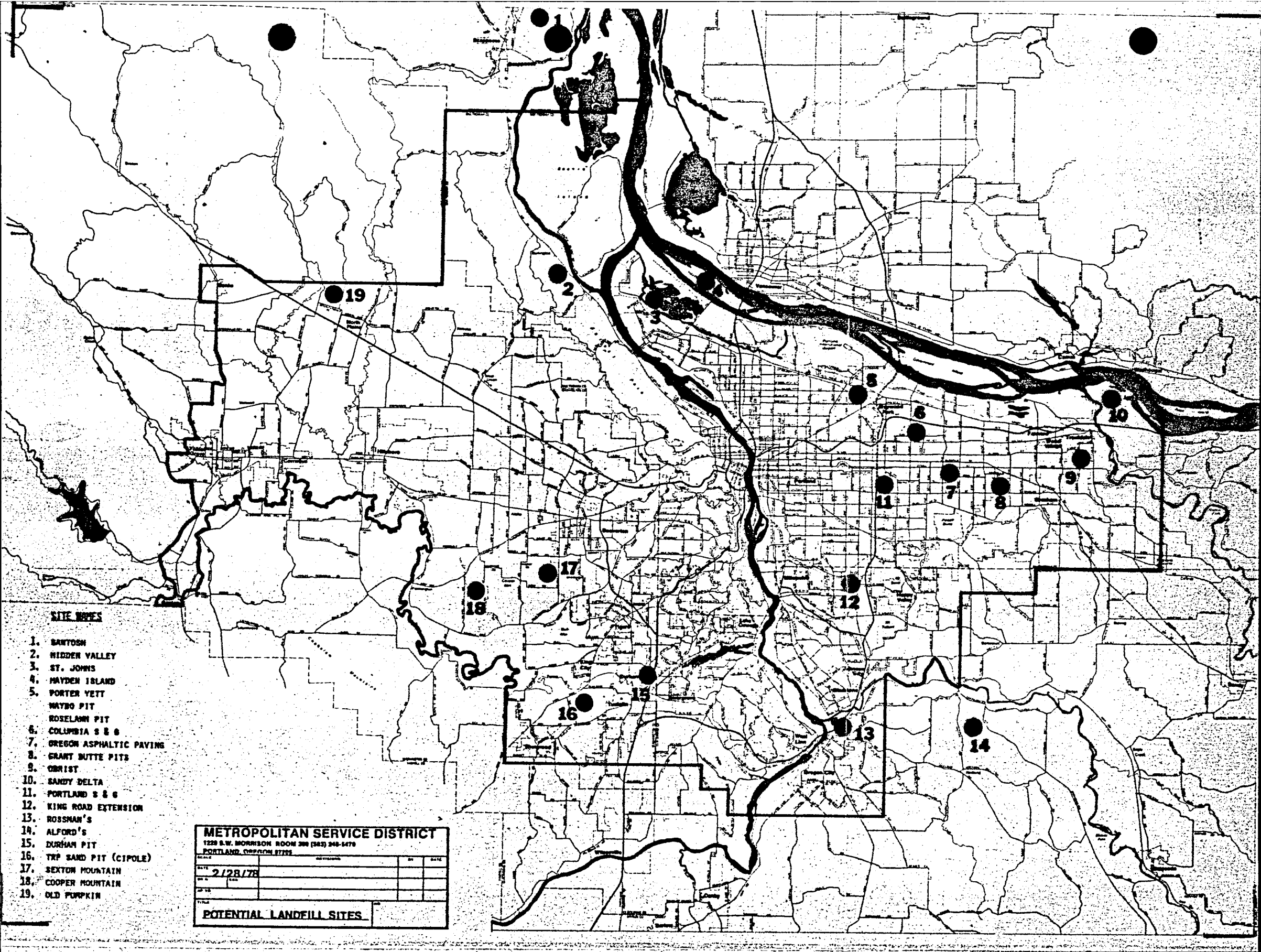
2. A request for proposals or bidding process should be used to determine the order of greatest economic advantage, benefits to MSD

citizens and likelihood of successful implementation for the sites deemed feasible in the report.

3. A search for (a) long term site(s) should commence as soon as possible.
4. MSD should implement a system of rate review as soon as possible, including coordination and/or agreement with the City of Portland on future operation of the St. Johns Landfill.
5. A transfer station should be identified as soon as possible and implemented to correspond with the Oregon City Processing Plant, if the project goes ahead, or a system of landfills.
6. Efforts should be initiated to phase out public dumping as currently handled at existing landfills through:
 - a. Review of cost allocation between citizen deliveries and commercial vehicle deliveries, and assessment of fair rates;
 - b. Construction of permanent unloading facilities at local landfills or through a system of citizen use transfer stations; and
 - c. Encouragement of programs such as brush chipping stations, building materials depots, appliance exchange or collection programs, and equitable bulky waste collection services.

SITE INVESTIGATIONS

During the study, MSD published a Request for Information and notified all known persons or groups directly affected by implementation of sanitary landfills of MSD's effort to identify potential sites. In addition, a detailed study of map resources available through other agencies was made and a careful review of all earlier reports and research dealing with sanitary landfills. These efforts resulted in identification of the sites shown on Figure S-1.



SITE NAMES

1. BANTOSH
2. HIDDEN VALLEY
3. ST. JOHNS
4. HAYDEN ISLAND
5. PORTER YETT
WAYBO PIT
ROSELAWN PIT
6. COLUMBIA S & S
7. OREGON ASPHALTIC PAVING
8. GRANT BUTTE PITS
9. OBRIST
10. SANDY DELTA
11. PORTLAND S & S
12. KING ROAD EXTENSION
13. ROSSMAN'S
14. ALFORD'S
15. DURHAM PIT
16. TRP SAND PIT (CIPOLE)
17. SEXTON MOUNTAIN
18. COOPER MOUNTAIN
19. OLD PUMPKIN

METROPOLITAN SERVICE DISTRICT			
1220 S.W. MORRISON ROOM 300 (503) 245-5479			
PORTLAND, OREGON 97202			
DATE	BY	CHK	DATE
2/28/78			
NO. 1	NO. 2	NO. 3	NO. 4
TITLE			
POTENTIAL LANDFILL SITES			

SITING CONSTRAINTS

Federal government, state government and local land use jurisdictions control the siting of sanitary landfills. Most notably, the State Department of Environmental Quality and the Environmental Protection Agency provide explicit direction on landfill siting.

Each potential site should be considered in light of the separation of the site from groundwater or surface water, the potential for gas migration from the site, the ability of access points to handle anticipated traffic loading, the proximity of the site to airports, relationship of the site to wetlands or flood plains, and the benefit of filling the site to the community. Assumptions were made that certain constraints could be overcome through expenditures for site development such as for separation of the site from groundwater or surface water. Based on these identified constraints, Table S-1 was compiled.

Table S-1
POTENTIAL SITES

<u>NAME OF SITE</u>	<u>A</u>	<u>B</u>	<u>C</u>
Alford's		X	
TRP Sand Pit (Cipole)		X	
Columbia Sand & Gravel		X	
Durham Pits		X	
Cooper Mountain		X	
Hidden Valley			X
Hayden Island			X
Nash Pit			X
King Road Extension	X		
Newberg		X	
Old Pumpkin		X	
Obrist	X		
Oregon Asphaltic			X
Portland Sand & Gravel		X	
Rossmann's	X		
Roselawn			X
Sexton Mountain			X
St. Johns - Upward		X	
St. Johns - Outward	X		
Sandy Delta			X
Santosh	X		
Waybo Pit			X
Porter-Yett			X
Grant Butte Pit		X	

A: Needs environmental Acceptance

B: Needs environmental and land use acceptance

C: Needs environmental and land use acceptance and has major problems

DETAILED ECONOMIC ANALYSIS

Economic analysis required that certain explicit assumptions be made about various factors in the solid waste and disposal system. Significant work was expended to assure that these assumptions were as realistic as possible. A computer model was utilized to facilitate computational complexities.

Haul Costs

An analysis of 25 input parameters were reduced to a cost per ton-mile to move solid waste. Although costs per ton-mile differed for drop box collection vehicles and residential and commercial compaction vehicles, the higher rate was used for both collection methods. The effect of this assumption is to increase the importance of centrally located landfill sites.

Disposal Facility Costs

Specific estimates were made of landfill and transfer station design, construction and operational costs. These costs are intended to reflect the requirements of new federal legislation and strictly enforced state standards. The assumptions used in the report result in a disposal related cost increase of nearly two times the existing costs. The projected costs for landfill and transfer stations varied, depending on annual facility throughputs.

Oregon City Processing Plant

Cost comparisons used in this report were based on preliminary information supplied by Publishers Paper Company and their engineering consultants. The preliminary nature of this information makes drawing comparisons between systems alternatives with and without the processing plant difficult. Comparisons are further complicated by the uncertainty of implementing the landfills included in the analysis.

ECONOMIC ANALYSIS RESULTS

The relative economic advantages and disadvantages of each potential site is shown in Table S-2. The costs shown are based on operation of only one site at a time. Total system costs increased for operation of more than one site at a time. Table S-2 also provides the capacity of each site.

Table S-2
LANDFILL SUMMARY

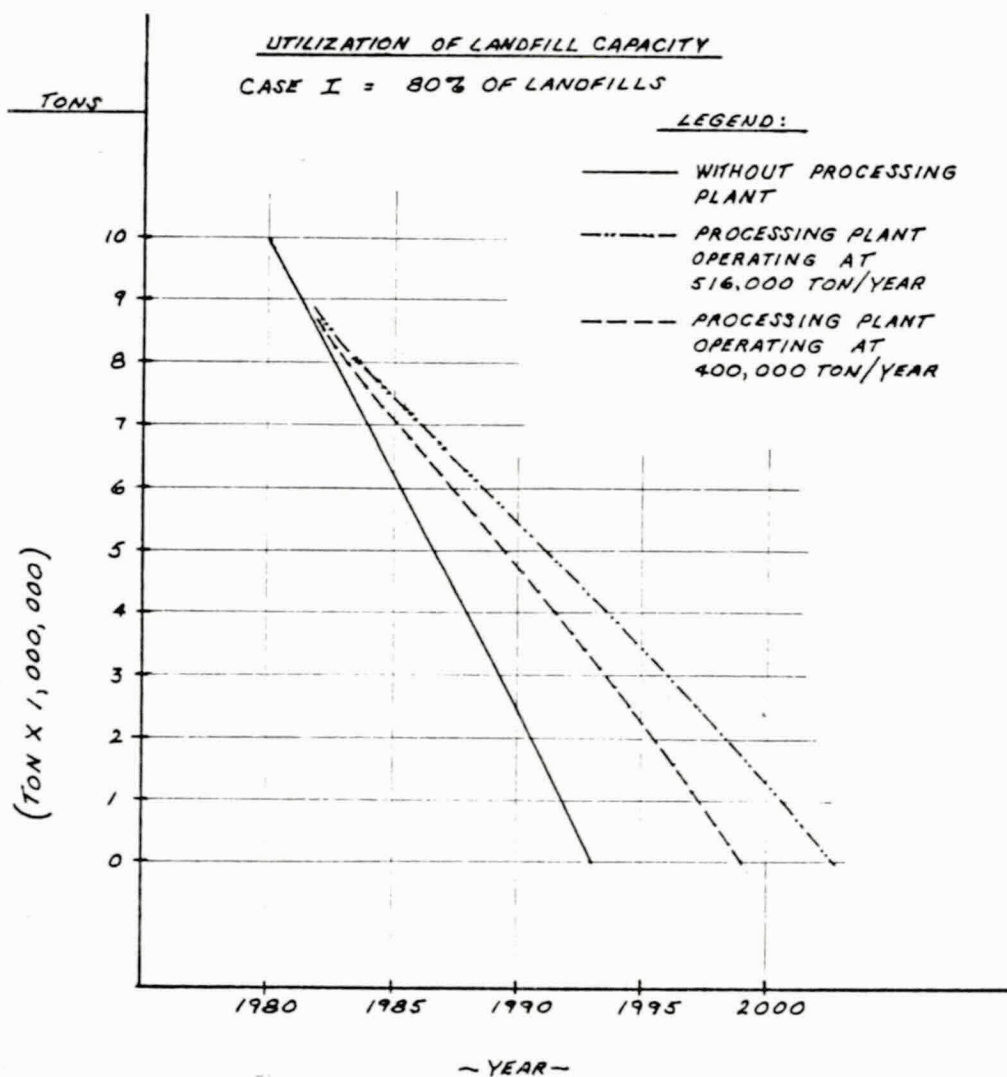
<u>Site</u>	<u>Haul Cost (\$/Ton)</u>	<u>Disposal Cost* (\$/Ton)**</u>	<u>Total Cost (\$/Ton)</u>	<u>Capacity (Tons)</u>
(1) Waybo-Roselawn	4.56	5.14	9.70	1,900,000
(2) Portland S & G	4.57	6.82	11.39	2,750,000
(3) Grant Butte Pits	5.74	5.88	11.62	950,000
(4) Oregon Asphaltic	4.80	7.35	12.15	1,400,000
(5) Columbia S & G	4.54	7.64	12.18	710,000
(6) Old Pumpkin	8.88	3.62	12.50	3,500,000
(7) St. Johns (Lateral)	6.18	6.67	12.86	1,700,000
(8) Durham	6.19	6.67	12.86	730,000
(9) Alford	9.68	3.29	12.97	8,800,000
(10) King Rd. Extension	5.90	7.55	13.45	1,900,000
(11) Hayden Island	6.46	7.92	14.38	10,700,000
(12) TR Sand Pit (Cipole)	6.75	8.17	14.92	950,000
(13) St. Johns (Up)	6.19	8.80	15.08	770,000
(14) Obrist	8.08	7.30	15.38	750,000
(15) Cooper Mountain	8.42	8.68	17.10	1,000,000

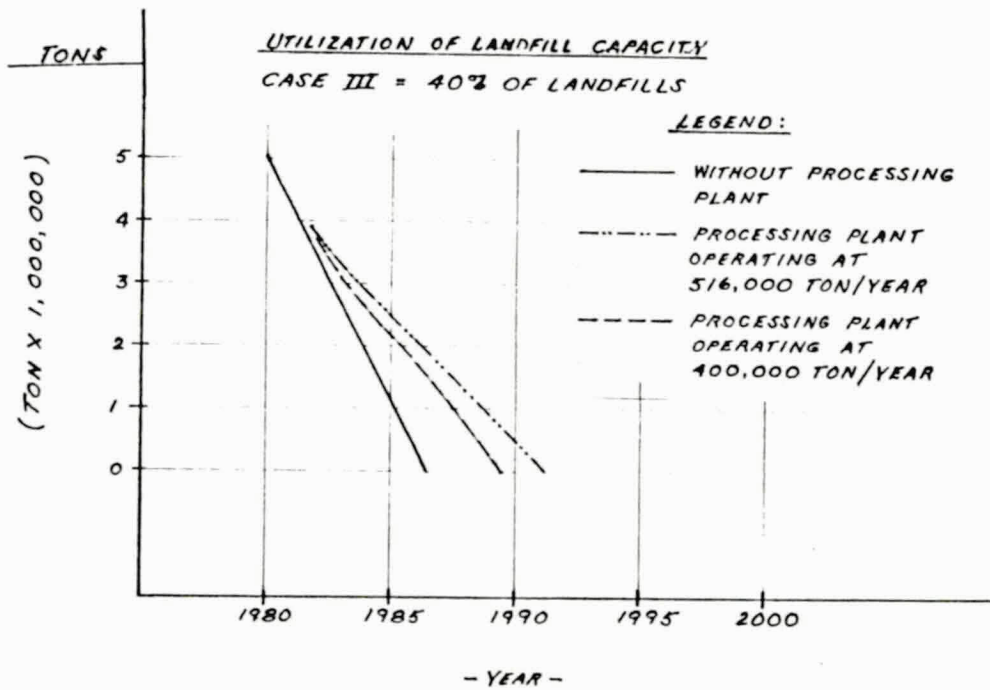
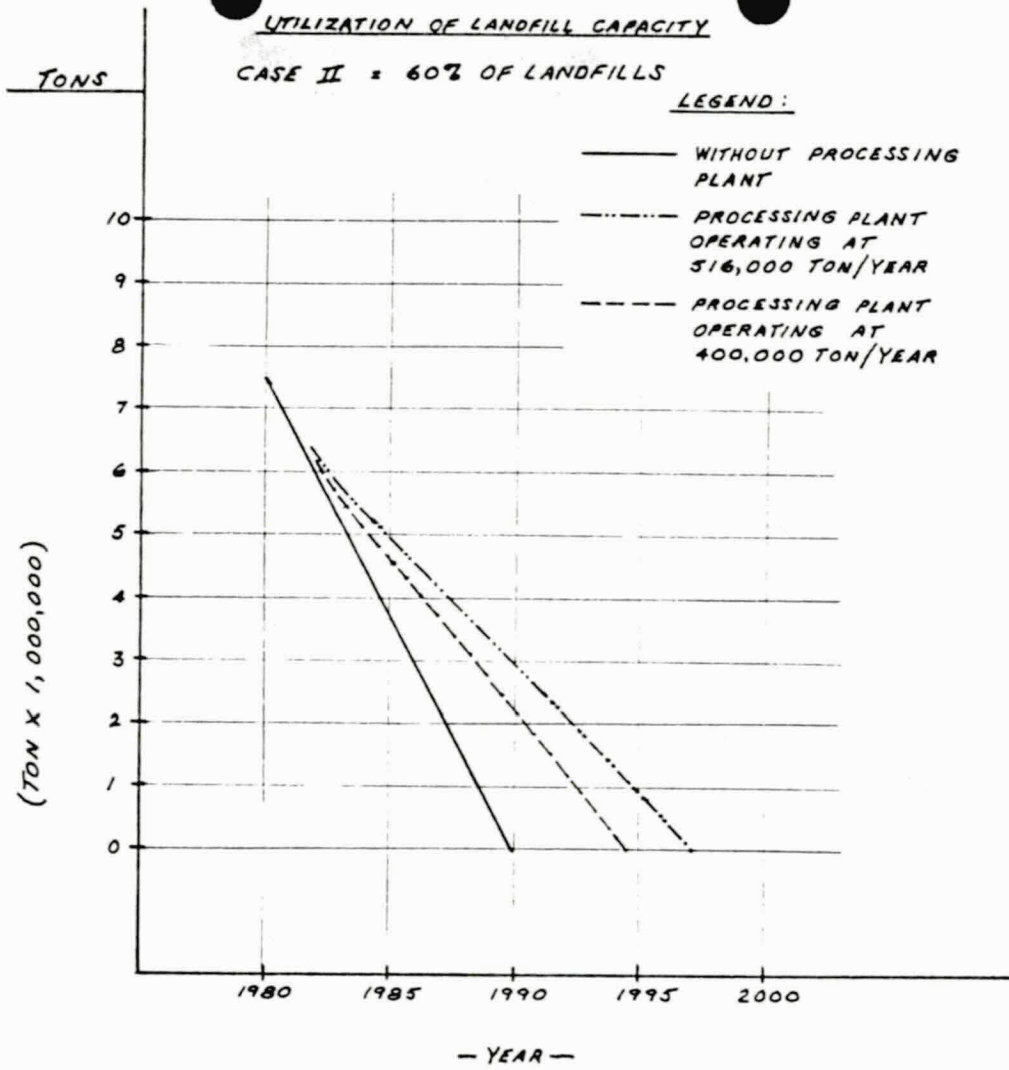
* Disposal Costs based on a volume of waste received of 730,000 tons per year (all of MSD's residential, and industrial and commercial waste plus 10% for public dumping).

** All costs 1977 dollars.

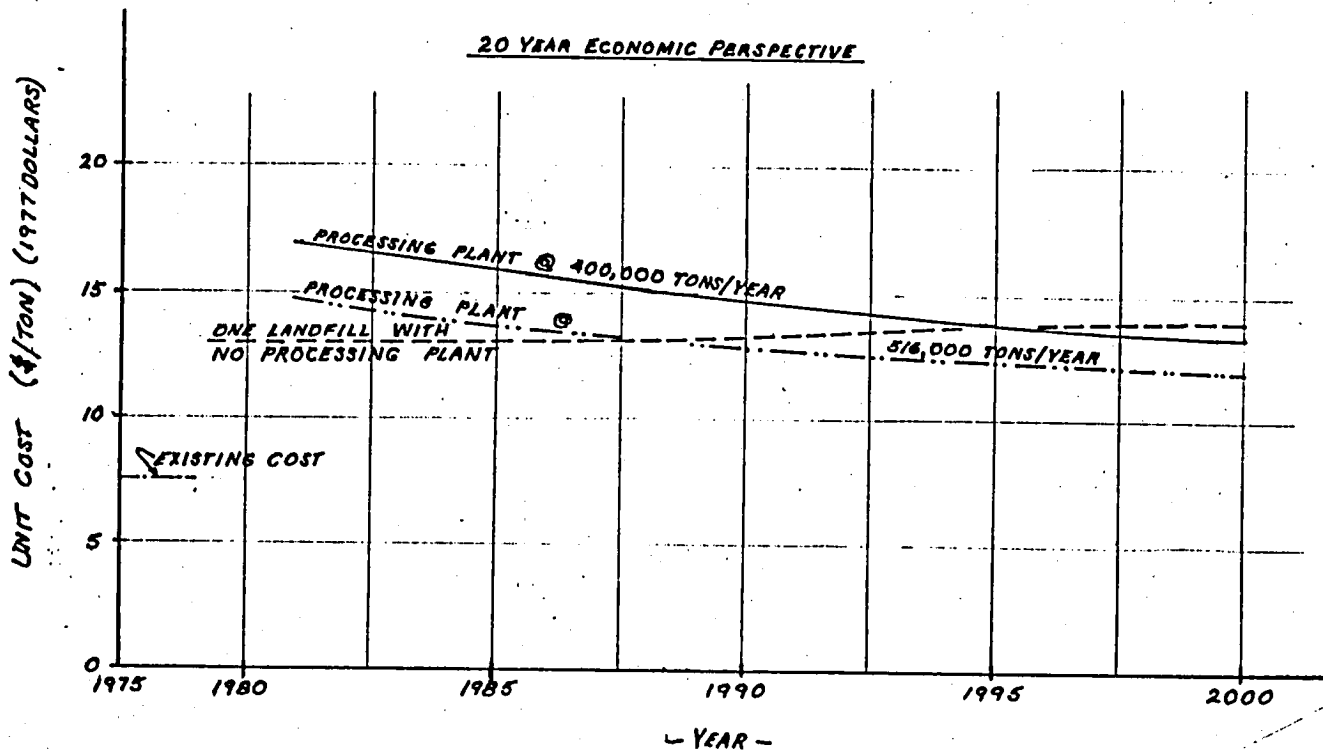
Considering all of the factors comprising implementation of any specific site, probabilities were derived by MSD staff to indicate the likelihood of any site actually being used.

Figures S-2, S-3 and S-4 show the number of years of expected landfill life resulting from varying assumptions on the likelihood of implementation. The solid line in each of these figures represents a system relying 100 percent on landfills and the two dashed lines represent processing plant alternatives with varied annual throughput. Figure S-2 corresponds to a 40 percent probability of implementing all sites; Figure S-3, a 60 percent probability; and Figure S-4, an 80 percent probability.

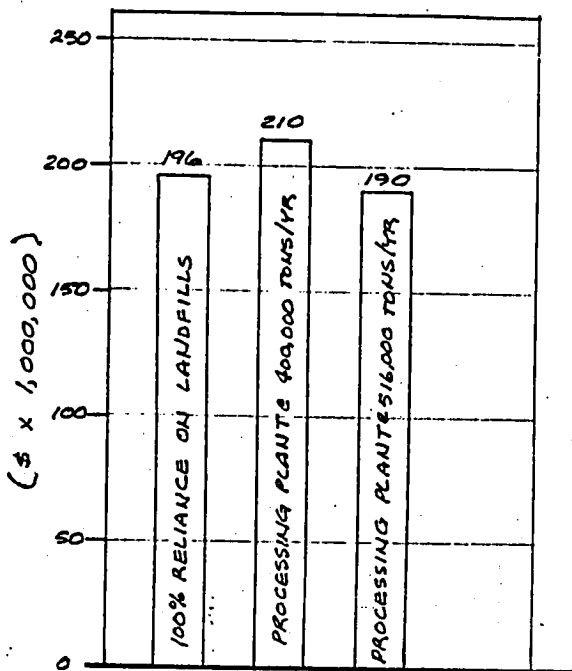




Over a twenty year period, the total unit costs for each alternative is given by Figure S-5. The total unit costs include haul costs and disposal costs.



ACCUMULATIVE 20 YR. COST
(1977 DOLLARS)



Using the costs shown in Figure S-5, the total costs for each year over a twenty year period from 1980 to 2000, are accumulated in Figure S-6. Figure S-6 shows that, depending on the annual processing plant throughput, the cost of a system relying 100% on landfills vs. a system incorporating the plant, are roughly similar.

IMPLEMENTATION

The MSD Board has indicated a preference for the private sector providing solid waste disposal services for which MSD establishes or confirms a need. It is unlikely that support can be confirmed for changing this reliance.

The study indicates a preference for supporting expansion of existing sites. It is anticipated that new sites will come from those sites deemed most feasible in the study. Site differences will be determined on the basis of the proposals prepared by site owners and landfill operators.

78-1088 ORDINANCE NO. 59 - SECOND HEARING

AN ORDINANCE ESTABLISHING FEES FOR ADMISSION TO THE WASHINGTON PARK ZOO, CRITERIA FOR ADMISSION PASSES TO THE ZOO, A PROCEDURE FOR ALLOWING SPECIAL DAYS, AND DECLARING AN EMERGENCY.

THIS IS THE SECOND OF TWO HEARINGS ON AN ORDINANCE THAT WILL BE TREATED AS AN EMERGENCY SO IT CAN BE PUT INTO EFFECT ON JULY 1, 1978, WHICH IS LESS THAN THE 30-DAY WAITING PERIOD, PROVIDED IT IS APPROVED BY THE MSD BOARD OF DIRECTORS.

THE ORDINANCE WAS PREPARED BY LEGAL COUNSEL FOLLOWING DIRECTIONS FROM THE MSD MANAGEMENT COMMITTEE.

THE ORDINANCE IS NECESSARY IN ORDER TO RAISE THE REVENUES GENERATED AT THE ZOO, AS WELL AS TO LIMIT THE NUMBERS OF PEOPLE WHO ARE ADMITTED TO THE ZOO FREE OF CHARGE.

THE MSD RESIDENT FEES ARE INCREASED FROM \$.75 AND \$.25 FOR ADULTS AND CHILDREN TO \$1.00 AND \$.50. SCHOOL GROUPS WILL BE CHARGED \$.25 PER STUDENT WHILE FORMERLY THEY WERE ADMITTED FREE.

THE NON-RESIDENT FEES ARE INCREASED FROM \$1.50 AND \$.75 FOR ADULTS AND CHILDREN TO \$2.00 AND \$1.00. SCHOOL GROUPS WILL BE CHARGED \$.50 PER STUDENT.

FREE ADMISSION PASSES WILL BE TIGHTLY CONTROLLED WITH ISSUANCE TO ONLY 200 EMPLOYEES AND ZOO VOLUNTEERS.

REDUCED ADMISSION PASSES WILL ALSO BE TIGHTLY CONTROLLED AND LIMITED TO 20 PERCENT OF THE APPLICABLE ADMISSION RATE. THIS REDUCTION WILL BE AVAILABLE TO MEMBERS OF A ZOO-SUPPORTING ORGANIZATION WHICH HAS BEEN APPROVED BY THE MSD BOARD OF DIRECTORS.

SPECIAL ADMISSION DAYS LIKE HANDICAPPED, SENIOR CITIZENS AND CHRISTMAS SCHOOL VACATION, FREE DAYS AND JOINT DAYS WITH OTHER ORGANIZATIONS WILL BE SPECIFICALLY AUTHORIZED BY THE BOARD OF DIRECTORS. THIS APPROVAL PROCESS WILL ALSO APPLY TO COMMERCIAL VENTURES.

THE NEW FEE STRUCTURE AND REDUCTION OF FREE ADMISSIONS WILL ADD APPROXIMATELY \$100,000 TO OUR GENERATED REVENUES.

THE STAFF RECOMMENDS THAT THE BOARD CONDUCT THE SECOND PUBLIC HEARING, AND ADOPT ORDINANCE No. 59 BY UNANIMOUS VOTE.

as amended.

METROPOLITAN SERVICE DISTRICT
BOARD ACTION

78-1088 DATE 6-23-78

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

Jean M. Wood
Clerk of the Board

METROPOLITAN SERVICE DISTRICT

ORDINANCE NO. 59

An ordinance establishing fees for admission to the Washington Park Zoo, criteria for admission passes to the Zoo, a procedure for allowing special admission days, and declaring an emergency.

ORDINANCE 59

THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:

SECTION I. TITLE, CODIFICATION

This ordinance shall be known as the Washington Park Zoo Admission Ordinance, may be cited as such and may be codified in the MSD Code.

SECTION II. DEFINITIONS

1. Board means the Board of Directors of MSD.
2. Director means the Zoo Division Director.
3. For the purpose of this Ordinance, a person will be considered as "living within the boundaries of the MSD", if he or she lives within the present boundaries of MSD or, effective January 1, 1979, lives within the boundaries of MSD as established in Ballot Measure 6, and approved by the voters on Tuesday, May 23, 1978.
4. MSD means the Metropolitan Service District.

SECTION III. MSD RESIDENT FEES

For persons living within the boundaries of MSD, the following schedule of fees shall be charged by the MSD for admittance to the Washington Park Zoo:

12 years and over	\$1.00
6 years through 11 years	.50
Under 6 years	FREE
Senior citizens (65 years and over)	.50
School groups and	.25 per pupil
adults accompanying school groups	FREE

SECTION IV. MSD NONRESIDENT FEES

For persons living outside the boundaries of MSD, the following schedule of fees shall be charged by the MSD for admittance to the Washington Park Zoo:

12 years and over	\$2.00
6 years through 11 years	1.00
Under 6 years	FREE
Senior citizens (65 years and over)	1.00
School groups and adults accompanying groups	.50 per pupil FREE

SECTION V FREE ADMISSION PASSES

1. All free admission passes currently outstanding are cancelled and will not be honored by MSD.

2. New free admission passes may be issued by the Director in accordance with this ordinance.

3. New free admission passes will bear the name of the person to whom the pass was issued, bear an expiration date that shall not be more than one year from the date of issuance and be nontransferable.

4. A free admission pass will entitle the holder only to enter the Zoo without paying an admission fee.

5. Free admission passes may be issued to the following persons:

A. Zoo volunteers who are certified and participate in a volunteer program under the direction of Volunteer Coordinator;

B. Zoo employees.

6. A free admission pass will terminate when the holder's employment or volunteer work terminates.

SECTION VI REDUCED ADMISSION PASSES

1. Reduced admission passes may be issued by the Director to members of an organization approved by the Board, whose main purpose is to support the Washington Park Zoo.

2. The reduction in admission shall not exceed twenty (20) percent.

3. Reduced admission passes will be numbered, bear the name of the person to whom the pass was issued, bear an expiration date that shall not be more than one year from the date of issuance and be nontransferable.

4. Reduced admission passes will not be issued unless the name of the person to whom the pass is issued, the number of the pass and the date of issuance are recorded in the Zoo admission pass register.

5. A reduced admission pass will entitle the holder only to enter the Zoo by paying a reduced admission.

6. A reduced admission pass may be terminated prior to its expiration for improper use.

SECTION VII SPECIAL ADMISSION DAYS

1. Special admission days are days when the rates set out in this Ordinance are reduced or eliminated for a designated group or groups.

2. Special admission days must be authorized in advance by the Board which will set or suspend the admission fee for each requested special admission day. Requests for special admission days will be presented to the Board by the Director.

SECTION VIII COMMERCIAL VENTURES

Proposed commercial or fund raising ventures with private profit or non-profit corporations involving admission to the Zoo must be reviewed and authorized in advance by the Board. Such proposals will be presented to the Board by the Director.

SECTION IX REPEALS

Ordinances 41 and 55 are repealed.

SECTION X EFFECTIVE DATE

This Ordinance shall take effect on July 1, 1978.

SECTION XI EMERGENCY

In order to implement this Admission Fee Ordinance by July 1, 1978, the beginning date of MSD's 1978-79 fiscal year and to provide increased revenues for such fiscal year, an emergency is declared to exist.

Dated this ____ day of June, 1978.

METROPOLITAN SERVICE DISTRICT

, Chairman

78-1089 EMPLOYEE UNIFORM BID AWARD

THE REQUEST FOR BID WAS ADVERTISED IN THE DAILY JOURNAL OF COMMERCE AND SENT TO FOUR PROSPECTIVE BIDDERS. WE RECEIVED ONLY ONE BID FROM COVERALL UNIFORM SUPPLY COMPANY AT \$29.87 PER SET PER MONTH, OR APPROXIMATELY \$15,054 PER YEAR. ADDITIONALLY, THE BIDDER STATED HE WOULD NOT SIGN THE CONTRACT UNLESS IT WAS ENLARGED TO PROVIDE FOR PURCHASE BY MSD IN CASE OF DEFAULT BECAUSE THE UNIFORM IS NOT A STANDARD UNIFORM.

BECAUSE THE AMOUNT OF BID IS IN EXCESS OF THE AMOUNT BUDGETED FOR UNIFORMS BY \$4,000 AND BECAUSE OF THE QUESTION RAISED ABOUT PURCHASING, STAFF RECOMMENDS THAT THE BOARD REJECT THE BID AND DIRECT STAFF TO ANALYZE THE MATTER FURTHER IN PREPARATION OF ANOTHER BID PROPOSAL.

METROPOLITAN SERVICE DISTRICT
BOARD ACTION

NO. 78-1089 DATE 6-23-78

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

John M. Wood
Clerk Board

78-1090 CONTRACT 78-151 - JAMES RICCIO CONTRACT EXTENSION

ON APRIL 1, 1978, AFTER FOLLOWING PROCEDURES SET OUT IN MAP No. 7, MSD CONTRACTED WITH JAMES L. RICCIO CONSULTING COMPANY TO PROVIDE ASSISTANCE TO THE WASHINGTON PARK ZOO IN THE PLANNING, DESIGN AND CONSTRUCTION OF ALL SIGNIFICANT CONSTRUCTION PROJECTS AT THE ZOO. THE CONTRACT RUNS UNTIL JUNE 30, 1978, AT A COST NOT TO EXCEED \$4,900 AND PROVIDES SERVICES CONTEMPLATED FROM AN UNFILLED STAFF POSITION ENTITLED CONSTRUCTION PROJECT COORDINATOR.

STAFF HAS BEEN PLEASED WITH THE SERVICES OF THE CONSULTANT TO DATE, INCLUDING WORK RELATING TO THE NURSERY, QUARANTINE FACILITIES AND ELEPHANT ENCLOSURE AND RECOMMENDS EXTENDING THE CONTRACT TO DECEMBER 31, 1978, AT AN ADDITIONAL SUM NOT TO EXCEED \$10,500.

METROPOLITAN SERVICE DISTRICT
BOARD ACTION

NO. 78-1090 DATE 6-23-78

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

Jean M. Wood
Clerk of the Board

78-1091 CONTRACT 76-021 - TED HALLOCK CONTRACT EXTENSION

THIS CONTRACT IS SCHEDULED TO EXPIRE ON JUNE 30, 1978, AND IT IS THE ZOO DIVISION'S INTENTION TO SEEK PROPOSALS FOR OUR PUBLIC RELATIONS SERVICES FOR THE COMING YEAR.

HOWEVER, WE ARE IN THE MIDST OF FINISHING A PUBLIC SERVICE ADVERTISEMENT SERIES OF ANNOUNCEMENTS FOR TELEVISION WITH THE HALLOCKS PLAYING A KEY ROLE IN THEIR PRODUCTION. WE ARE ALSO REQUESTING PROPOSALS FOR NEXT YEAR'S WORK BUT WILL NOT BE ABLE TO MAKE A SELECTION PRIOR TO SEPTEMBER 1, 1978.

THE STAFF RECOMMENDS THAT THE BOARD AUTHORIZE THE CHAIRMAN TO EXTEND CONTRACT 76-021 BY TWO MONTHS TO ALLOW COMPLETION OF THE P.S.A. SERIES AND TO ALLOW THE STAFF TO COMPLETE A P.R. FIRM SELECTION FOR NEXT YEAR.

METROPOLITAN SERVICE DISTRICT
BOARD ACTION

NO. 78-1091 DATE 6-23-78

BARTELS
BUCHANAN
McCREADY
MILLER
ROBNETT
SALQUIST
SCHUMACHER

	NO	ABST.
BARTELS	/	
BUCHANAN	/	
McCREADY	/	
MILLER	/	
ROBNETT	/	
SALQUIST	/	
SCHUMACHER	/	

J. du...
Clerk of the Board

78-1092 ZOO ADVISORY COMMITTEE APPOINTMENTS

(REMOVED FROM THE AGENDA)

78-1093 DATE 6-23-78
YES NO ABST.

BARTELS
BUCHANAN
McCREADY
MILLER
ROBNETT
SALQUIST
SCHUMACHER

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

Jean Miller
Clerk of the Board

OTHER BUSINESS

78-1093 SURPLUS ANIMAL LIST

FOR A VARIETY OF REASONS CERTAIN ANIMALS IN THE COLLECTION MUST BE SOLD, TRADED OR LOANED IN ORDER TO PROPERLY MANAGE THE COLLECTION.

THE FOLLOWING ARE ANTICIPATED SURPLUSES FOR THE NEXT THREE MONTHS:

1. MALE HIPPO - THERE IS NO ROOM IN OUR EXHIBIT FOR A THIRD ANIMAL.
2. WOLVES - WE DO NOT HAVE A GOOD EXHIBIT FOR THESE ANIMALS AND IT WILL BE 1981 BEFORE THE ALASKAN EXHIBIT WILL PROVIDE A NEW, NATURAL HABITAT AREA.
3. MALE BUSHBABY - THIS PROSIMIAN WAS BORN HERE AND WE CANNOT REINTRODUCE THE MALE TO THE FEMALE UNTIL THIS YOUNG ANIMAL IS REMOVED.
4. NENE GEESE - SEVERAL CLUTCHES OF THESE BIRDS HAVE RECENTLY BEEN HATCHED AND CAN BE MADE AVAILABLE TO OTHER ZOOS AND BREEDERS.
5. MALE WOOLY MONKEY - IN EXCHANGE FOR A FEMALE TO PAIR WITH ANOTHER MALE THAT WE HAVE IN THE COLLECTION.
6. MALE CAVY - IN EXCHANGE FOR A NEW MALE TO INTRODUCE A NEW BLOODLINE INTO OUR BREEDING PROGRAM.
7. FEMALE ELEPHANT - WHICH IS THE ANIMAL THAT HAS NOW HAD THREE OFFSPRING WITH CONGENITAL DEFECTS AND WILL NOT BE BRED AGAIN.
8. EUROPEAN BROWN BEARS - TWO CUBS HAVE BEEN BORN AND CANNOT BE KEPT WITH THEIR PARENTS INDEFINITELY.
9. AXIS DEER, BLACKBUCK ANTELOPE, SPIDER MONKEY AND TWO DIANA MONKEYS ARE SURPLUS TO OUR NEEDS.

THE STAFF RECOMMENDS THAT THE BOARD APPROVE THE SURPLUSING OF THE ABOVE ANIMALS.

OTHER BUSINESS

78-1094 CASCADES NATURE CENTER AND VAN

TO IMPROVE OUR ZOOMOBILE PROGRAM AS IT VISITS SCHOOLS AND PARKS IN THE METROPOLITAN SERVICE DISTRICT IT IS THE ZOO DIVISION'S INTENT TO DEVELOP AN EDUCATIONAL PROGRAM OF LIVE ANIMALS AND HANDLEABLE ARTIFACTS (ANTLERS, SKULLS, FUR, FOOTPRINT MOLDS, FEATHERS, ETC.) ON THE SUBJECT OF THE CASCADES. TO GIVE THIS PROGRAM A VISIBLE PRESENCE IN THE ZOO AN OLD CANTEEN WILL BE RECYCLED INTO A CASCADES NATURE CENTER IN WHICH THE LIVE ANIMALS AND ARTIFACTS COULD BE DISPLAYED AND FROM WHICH THEY COULD BE TRANSPORTED TO SCHOOLS AND PARKS FOR EDUCATIONAL VISITS.

TO UNDERWRITE THE COSTS OF OUTFITTING THIS CENTER, ACQUIRING A VAN AND GENERALLY DEVELOPING THE PROGRAM OVER A TWO-YEAR PERIOD GRANT SUPPORT OF APPROXIMATELY \$45,000 FOR THE FIRST YEAR AND \$20,000 FOR THE SECOND YEAR WILL BE SOUGHT.

THE STAFF RECOMMENDS THAT THE BOARD APPROVE THE NATURE CENTER CONCEPT AND THE SEEKING OF GRANTS FOR ITS DEVELOPMENT.

METROPOLITAN SERVICE DISTRICT
BOARD ACTION
NO 78-1094 DATE 6-23-78

BARTELS
BUCHANAN
MCCREADY
MILLER
ROBNETT
SALQUIST
SCHUMACHER

	YES	NO	ABST
BARTELS	/		
BUCHANAN	/		
MCCREADY	/		
MILLER	/		
ROBNETT	/		
SALQUIST	/		
SCHUMACHER	/		

[Handwritten Signature]
Clerk of the Board

OTHER BUSINESS

78-1095 TRAVEL REQUEST

THIS IS A TRAVEL AUTHORIZATION FOR MSSRS. IRVINE, KEMPER, AND KETTERLING TO ATTEND THE GRCDA NATIONAL CONFERENCE IN CALGARY, ALBERTA, CANADA, BETWEEN AUGUST 29 THROUGH SEPTEMBER 1, 1978. THE GRCDA (GOVERNMENTAL REFUSE COLLECTION AND DISPOSAL ASSOCIATION) REPRESENTS PEOPLE THAT HAVE SIMILAR INTERESTS AND PROBLEMS WITH SOLID WASTE MANAGEMENT. THE TECHNICAL SESSIONS INCLUDE:

- . VEHICLE AND EQUIPMENT SPECIFICATIONS
- . ROUTE COLLECTION DESIGN
- . RESOURCE RECOVERY
- . MANAGEMENT, LABOR RELATIONS AND SAFETY
- . LANDFILL DESIGN AND OPERATION
- . HAZARDOUS WASTE DISPOSAL

COST IS ESTIMATED AT \$455 FOR EACH PERSON OR \$1,365.


THE STAFF REQUESTS APPROVAL OF THE ABOVE TRAVEL AUTHORIZATION AT A COST NOT TO EXCEED \$1,365.

METROPOLITAN SERVICE DISTRICT
BOARD ACTION

NO. 78-1095 DATE 6-23-78

BARTELS
BUCHANAN
MCCREARY
MILLER
ROBNETT
SALQUIST
SCHUMACHER

NO	ABST.
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Clerk of the Board

METROPOLITAN SERVICE DISTRICT
RESOLUTION NO. 78-1097

THE METROPOLITAN SERVICE DISTRICT HEREBY RESOLVES THAT:

WHEREAS, CHAPTER 665, OREGON LAWS 1977 (HB 2070) WAS REFERRED TO AND APPROVED BY THE VOTERS AS BALLOT MEASURE No. 6, 1978 OREGON PRIMARY ELECTION; AND

WHEREAS, IT IS DEEMED NECESSARY BY BOTH THE COLUMBIA REGION ASSOCIATION OF GOVERNMENTS (CRAG) AND THE METROPOLITAN SERVICE DISTRICT (MSD) THAT PLANNING BEGIN IMMEDIATELY TO INSURE A SMOOTH AND UNDISRUPTIVE TRANSITION IN ACCORDANCE WITH CHAPTER 665;

NOW, THEREFORE, BE IT RESOLVED, THAT THE MSD BOARD OF DIRECTORS HEREBY RECOGNIZES THE MSD/CRAG TRANSITION COMMITTEE, AS PRESENTLY CONSTITUTED, AS THE BODY RESPONSIBLE FOR PLANNING THE ABOVE CITED TRANSITION, AND

BE IT FURTHER RESOLVED, THAT SAID COMMITTEE SHALL HAVE THE SPECIFIC RESPONSIBILITY OF STUDYING ANY AND ALL ASPECTS OF THE TRANSITION AND COMPLETING BY DECEMBER 1, 1978, A REPORT OUTLINING ITS RECOMMENDATIONS TO THE NEWLY ELECTED MSD COUNCIL REGARDING ACTIONS TO BE TAKEN BY THE COUNCIL TO FACILITATE A SMOOTH TRANSITION, AND

BE IT FURTHER RESOLVED, THAT THE DIRECTOR OF MSD IS AUTHORIZED TO PROVIDE MSD STAFF SUPPORT TO THE COMMITTEE AS HE MAY DEEM NECESSARY OR ADVISABLE, AND

BE IT FURTHER RESOLVED, THAT THE DIRECTOR OF MSD IS DIRECTED TO KEEP THE BOARD INFORMED AS APPROPRIATE, AT LEAST MONTHLY, CONCERNING ACTIVITIES OF THE TRANSITION COMMITTEE AND THE AMOUNT OF MSD

STAFF TIME SPENT SUPPORTING THE COMMITTEE, AND TO ESTABLISH A MECHANISM TO ENABLE THE MSD BOARD OF DIRECTORS TO REVIEW AND COMMENT ON TRANSITION COMMITTEE ACTIVITIES, AND

BE IT FURTHER RESOLVED, THAT ANY PROPOSED CHANGES TO THE MEMBERSHIP STRUCTURE OF THE MSD/CRAG TRANSITION COMMITTEE SHALL BE BROUGHT TO THE MSD BOARD OF DIRECTORS FOR ITS APPROVAL.

METROPOLITAN SERVICE DISTRICT
BOARD ACTION

NO. 78-1097 D.E. 6-23-78

BARTELS
BUCHANAN
McCREADY
MILLER
ROBNETT
SALQUIST
SCHUMACHER

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

Jean Wood
Clerk of the Board

INFORMATIONAL REPORT

WHITE WELD FINANCIAL REPORT RESOURCE RECOVERY FACILITY

THE PURPOSE OF THIS INFORMATIONAL ITEM IS TO PROVIDE THE MSD BOARD WITH THE FIRST DRAFT OF WHITE WELD'S EVALUATION OF FINANCIAL FEASIBILITY FOR THE OREGON CITY RESOURCE RECOVERY PROJECT.

THERE ARE SEVERAL BLANKS IN WHICH NUMBERS HAVE NOT YET BEEN PROVIDED IN WRITING. THE CURRENT VALUE OF THESE NUMBERS, WHICH HAVE BEEN DISCUSSED ORALLY, ARE AS FOLLOWS: ON PAGE 6, PARAGRAPH H, \$12 TO \$13 MILLION, \$11 TO \$11.50, AND \$3.00 TO \$3.50 RESPECTIVELY FOR THE THREE BLANKS. ON PAGE 9, AT THE BOTTOM OF THE PAGE, \$4.00 TO \$4.50, AND FOR THE FIRST BLANK ON PAGE 12, 6 3/4%.

UPON INDICATION OF A WILLINGNESS BY PUBLISHERS AND THE TIMES-MIRROR Co., STAFF WILL RETURN TO THE MSD BOARD WITH AN ANALYSIS OF THIS INFORMATION AND ALL OF THE OTHER PROJECT RELATED INFORMATION AND REQUEST BOARD AUTHORIZATION TO PROCEED WITH THE PROJECT AS APPROPRIATE.

Draft
6/21/78

FINANCEABILITY OF THE
PORTLAND PROJECT

A Presentation to
Metropolitan Service District (Portland, Oregon),
Publishers Paper Co., and
The Times Mirror Company

MERRILL LYNCH WHITE WELD CAPITAL MARKETS GROUP
Merrill Lynch, Pierce, Fenner & Smith Incorporated

June , 1978



**Merrill Lynch
Pierce
Fenner & Smith Inc.**

June , 1978

Metropolitan Service District
1220 S. W. Morrison, Room 300
Portland, Oregon 97205

Attention: Mr. Charles C. Kemper
Director

Publishers Paper Co.
419 Main Street
Oregon City, Oregon 97045

Attention: Mr. Jack E. Meadows
President

The Times Mirror Company
Times Mirror Square
Los Angeles, California 90053

Attention: Mr. Stender E. Sweeney
Treasurer

Gentlemen:

You have asked us to comment on the feasibility of selling solid waste disposal revenue bonds (the "Bonds") to fund a major portion of the construction and related costs of a solid waste resource recovery facility (the "Facility") proposed to be built in Oregon City, Oregon, and to serve the Portland metropolitan area. We have summarized below our understanding with respect to the following four topics related to this project (the "Project"): (I) the characteristics of the Facility and the nature of the involvement of the Project participants, (II) the forecast Project economics, (III) potential characteristics of the Tipping Fee Contract between the Metropolitan Service District

("MSD") and the owner of the Facility (the "Owner") and of the Energy Contracts between Publishers Paper Co. ("Publishers") and the Owner and (IV) the concepts currently under discussion concerning arrangements pursuant to which additional capital might be provided to the Project, after the construction period.

I. Project Description

Publishers, a wholly owned subsidiary of The Times Mirror Company ("Times Mirror"), is involved primarily in supplying paper to Times Mirror and, in that capacity, owns and operates a pulp and paper manufacturing plant in Oregon City. It has been proposed that an affiliate of Publishers construct, own and operate the Facility. (We have assumed that this affiliate, the Owner* of the Facility, would be a subsidiary of Times Mirror.) Publishers is interested in pursuing the Project primarily as a means to establish a continuous and reliable source of energy at an advantageous cost for this manufacturing plant.

* In a typical industrial revenue bond financing, the "Owner" of the Project would own the Facility in the economic sense of the word. However, in a technical sense, title to the Facility would probably be held by MSD. To obtain title to the Facility, MSD would issue the Bonds and use the proceeds to "buy" the Facility. The Bonds would be guaranteed on an unconditional basis by the Owner (without recourse to MSD), in a maximum amount equal to the cost of that portion of the Facility which would qualify for tax-exempt financing under guidelines set forth under the Internal Revenue Code. At the same time title to the Facility was transferred to MSD and the Bonds were issued, the Owner would enter into a lease of the Facility from MSD pursuant to which rental payments would equal the annual interest and principal payments required to service the Bonds. This lease would be a capital lease for accounting purposes and its capitalized value would appear, along with the Facility, on the Owner's balance sheet. For tax purposes, beneficial ownership of the Facility would never leave the Owner. In other words, the lease would not be a "true lease" and the Owner would receive all of the benefits of ownership, such as the investment tax credits and accelerated depreciation. At the end of the lease period, the Owner would have the option to buy back title to the Facility for a nominal price, such as \$1.00.

MSD is a municipal corporation of the State of Oregon endowed with certain powers in the Portland metropolitan area, including, among others, powers to (1) require that parties generating or collecting liquid or solid waste make use of designated disposal sites and solid waste resource recovery facilities, (2) contract with certain other parties to construct, own and operate such sites and facilities, and (3) impose user charges for the purpose of meeting the costs incurred in the disposal of solid waste. MSD is charged with solving solid waste disposal problems in the Portland metropolitan area, and among its goals are maximum reclamation and reuse of materials in an economic manner, as well as reduced dependence on landfills as a means of refuse disposal. MSD's participation in the Project would have the purpose of further promoting these goals.

In the area of jurisdiction of MSD, approximately 740,000 tons per year of solid waste are currently produced, of which approximately 520,000 tons are processable. We understand that the Facility would be designed to be capable of processing more than 400,000 tons annually of such waste.

The Facility would shred, air classify and separate the solid waste into refuse derived fuel ("RDF"), ferrous metals and other by-products, such as waste paper. The RDF would be delivered to specially designed, RDF-fired boilers, which would generate steam, a portion of which would be converted into electricity by turbine generators. Certain materials, such as ferrous metals, would be sold, and inert ash from the boilers would be picked up at the Facility by an agent of MSD and delivered to an MSD-certified landfill.

II. Forecast Project Economics

The Project is currently estimated to require \$77.5 million in external funds during the forecast 1979-1981 construction period. Of this amount, \$64.0 million is required for construction and equipment expenditures (exclusive of land purchases, if any); \$11.5 million for the bond reserve fund (equivalent to one year's debt service), bond issuance expenses and interest during construction; and \$2.0 million for working capital necessary just prior to commencement of operations in 1982. The \$77.5 million is projected to be expended \$31.1 million in 1979, \$33.3 million in 1980, and \$13.1 million in 1981. Debt funds are

scheduled to be raised just prior to commencement of construction, with equity provided by Times Mirror toward the end of the construction period, once all debt funds have been exhausted.

Construction and equipment costs (escalated through January 1, 1982) are forecast as follows, assuming land is provided pursuant to a 99-year lease under which lease payments of \$1 per year would be made:

	(000)
Land improvements	\$ 2,300
General buildings	500
Special purpose buildings	4,400
Turbine generator building	500
Solid waste processing equipment	49,700
Turbine generator	3,700
Pipeline	2,900
	<u>\$64,000</u>

It is assumed that financing would be from three sources: (1) a \$49.1 million (\$47.7 million net of expenses) public offering of the Bonds in both serial and term forms, (2) a combination of loan and grant from MSD ("MSD Funds") totalling \$9.0 million, and (3) \$19.4 million in equity from Times Mirror. Because the proportion of MSD Funds which would constitute a grant has not yet been determined, we have assumed for purposes of discussion that all \$9.0 million is a loan (the "MSD Loan"). We suggest that, if feasible, the MSD Loan be subordinated to the Bonds, thereby reducing their effective cost. Further, we believe a long average life for the MSD Loan would give additional support to the favorable effects of subordination. The projections to date reflect our recommendation that, subject to market conditions, the most cost-effective structure for the Bonds would be to include serial maturities in the early years and a term portion with a sinking fund commencing thereafter.

We understand that, to be attractive to all of the "Project Participants" (Times Mirror, Publishers Paper and MSD), it would have to be expected that the Project would be economically self-supporting; in particular, its debt obligations would be self-liquidating and the return which Times Mirror would earn on its equity investment in the Owner, given the risks inherent in the Project, would be competitive. As such, any Bonds issued would not constitute a general obligation of, and would not be guaranteed by, any of the Project

Participants. Rather than being supported by a taxing authority or the general assets of Publishers or Times Mirror, the viability of the Bonds would depend primarily on the credit of the Project itself.

In order for the Project to be economically self-supporting, revenues earned by the Facility would have to be sufficient to cover all cash needs -- operating and maintenance expenses, debt service, bond reserve fund requirements, and capital costs. Accordingly, the Tipping Fee and Energy Contracts would have to be drafted to provide assurances to investors that the Bonds would be a conservative investment vehicle, that is, securities whose timely payment of interest and principal would be reasonably certain. MSD would benefit from similar assurances with respect to the MSD Loan.

In order to test whether the available cash flow of the Project would be sufficient to support the Bonds and the MSD Loan (which, in aggregate, have been assumed to provide 75% of external financing requirements during the construction period), the projected financial statements with respect to the Facility have been prepared by Publishers covering a three-year construction period (1979-1981) and 20 years of operations (1982-2001). These projections are summarized in the Exhibit which contains the following, among other, information:

- (1) Basic assumptions as to Project economics including, among others:
 - (a) quantities of waste per year:
 - 400,000 tons available to Project
 - 14,000 tons direct to landfill
 - 386,000 tons processed per year;
 - (b) time schedule:
 - January 1, 1979 -- take-down of debt funds and commencement of construction
 - January 1, 1982 -- completion of construction and start of commercial operations;
 - (c) breakdown of initial capital outlays by asset category, associated depreciation method and year of expenditure;
 - (d) available debt and equity financing during construction:

- initial cash needs during construction met with debt funds
- equity funds supplied by Times Mirror to the Owner, up to a specified maximum (as discussed below), as necessary to meet cash requirements not provided by debt funds during construction;

(e) dividend test:

- no dividends payable by the Owner to Times Mirror unless the Project has been able to meet all basic debt service requirements for three years and there is at least \$2.0 million in short-term investments after payment of any dividend;

(f) interest rates:

- 6 3/4% on the Bonds (intended to approximate a weighted average interest rate on the serial and term portions of the Bonds)
- 5% on the MSD Loan;

(g) available tax credits:

- federal credit of 10% of amounts expended on solid waste processing equipment, special purpose buildings, turbine generator and pipeline
- federal credit taken concurrent with expenditure of funds
- state pollution tax credit (after adjustment for federal tax effect) of \$1.664 million per year taken during 1982-1991;

(h) revenues in 1982, aggregating \$ _____ million:

- tipping fee of \$ _____ per ton on 386,000 tons
- energy at \$ _____ per million BTU's
- a moderate proportion of revenue from recovered ferrous scrap and waste newsprint;

(i) operations and maintenance costs in 1982, aggregating \$8.2 million;

- (j) 99-year lease of the site for the Facility from MSD for \$1 per year; and
 - (k) escalation of revenues and of operations and maintenance costs at 7% per year;
- (2) Basic assumptions as to terms of the financing:
- (a) \$49.1 million of Bonds with an interest rate of 6 3/4%:
 - \$19.1 million of serial bonds scheduled to mature during 1983-1991
 - \$30.0 million of term bonds scheduled to mature in 2001, with a level sinking fund of \$3.0 million commencing in 1992
 - entire amount raised by January 1, 1979;
 - (b) \$9.0 million in MSD Funds:
 - whole amount assumed to be a 5% MSD Loan for computational purposes
 - same maturity and proportionate sinking fund as on the term portion of the Bonds
 - entire amount raised by January 1, 1979; and
 - (c) scheduling and amounts of equity investment in the Owner by Times Mirror:
 - equity investment by Times Mirror to provide 25% of external financing needs during the construction period

* The amount of Bonds set forth in the Exhibit is that amount which, when combined with the MSD Loan, would provide 75% of Project funding during the construction period. Even though additional amounts of solid waste disposal revenue bonds might qualify as tax-exempt financing, 75% is deemed the maximum prudent debt funding for the Project. Times Mirror might choose to avail itself of the additional qualifying tax-exempt debt financing which the Project might afford, but this additional series of solid waste disposal revenues bonds would not rely on the credit of the Project nor would any fund flows related to it be taken into account for purposes of Project financial statements.

- equity investments of \$6.3 million in 1980 and \$13.1 million in 1982, but none in 1979 and none after 1981;
- (3) "Base case" projections based on the above assumptions through 2001 with respect to:
 - (a) income statements;
 - (b) sources and uses of funds statements;
 - (c) balance sheets; and
 - (d) schedules of interest expense and principal repayment on the Bonds and the MSD Loan.

The base case projections indicate that the Project would be self-supporting if such forecasts were met, although it would generate losses through 1987.

III. Terms of Revenue Contracts

The Tipping Fee and Energy Contracts discussed below are the two major underpinnings of the Project. They are designed to provide all revenues to the Project (except for collateral revenues from sale of waste newsprint, recovered ferrous scrap and the like), and thus these and the collateral revenues must be expected to cover all capital and operating costs and to meet cash needs resulting from operations, except under extreme circumstances as discussed under "Arrangements for Additional Capital." In addition to covering operating and debt capital costs and providing a competitive return on the equity investment made by Times Mirror, the contracts would have to be sufficiently flexible to promote financial stability, thereby providing the protection necessary to support a high degree of leverage and assuring the cost benefits derived therefrom.

Tipping Fee Contract. We have noted our understanding of MSD's power within metropolitan Portland to direct the collection and deposit of solid waste, in particular to the Facility, and to charge user fees (i.e., tipping fees) designed to cover the operating and capital costs related to such a facility. This power could provide critical support to the economic viability of the Project by means of a long-term Tipping Fee Contract between MSD and the Owner.

The provision in the Tipping Fee Contract might include a number of adjustment factors designed to reduce the volatility of the Project's cash flow and to provide MSD (i.e., those paying the tipping fees) with an opportunity to capture some of the benefits if the Project's profitability were to exceed expectations as a result of rapid increases in the value of energy or other Project by-products, realization of operating cost savings, or other factors. Factors which could cause adjustments in the tipping fee include:

- (1) basic capital costs of the Project -- the tipping fee to be adjusted upward to partially offset the effects of cost overruns on the Project or to be reduced to partially pass on to MSD any savings if there are cost under-runs;
- (2) capital costs associated with additional equipment mandated by regulatory authorities -- to be recovered by the Owner on a dollar-for-dollar basis, with a fair return of and on equity capital contributed by Times Mirror to the Owner for such purposes;
- (3) operating costs resulting from regulatory imperatives -- to be recovered on a dollar-for-dollar basis;
- (4) inflation (this factor is particularly important);
- (5) property taxes -- to be recovered on a dollar-for-dollar basis;*
- (6) volume of refuse -- with tipping fees to be raised proportionately with volume shortfalls below a specified minimum, and with tipping fees to be reduced to the extent refuse beyond the minimum is delivered, up to a specified maximum;

* It should be noted that property taxes are projected to equal approximately \$ _____ per ton in the first year of operations and to grow significantly thereafter. Any reduction in property taxes which could be achieved would significantly reduce the tipping fee and thereby enhance the attractiveness of the Project from the viewpoint of MSD and the users.

- (7) BTU content -- adjustments in the tipping fee to be made to the extent, in any period, actual heat content per ton differed from projections;
- (8) moisture content -- adjustments in much the same manner for a BTU content; and
- (9) cumulative profits (losses) -- a provision to share the benefit of better than expected cumulative profits (losses) with MSD and, on the other hand, to provide some increase in tipping fees when cumulative results were below prior expectations.

It should be emphasized that the points above are intended only as an illustration of the structure of the Tipping Fee Contract. We recognize that talks to date between Publishers and MSD have been preliminary in nature, and that the details of a suitable contract are still to be negotiated.

Energy Contract. Just as the Tipping Fee Contract would be designed to provide a reasonably assured source of revenue to the Project, a satisfactory long-term arrangement for sale of steam and electricity would also be provided by contract in order to enhance the creditworthiness of the Bonds and the MSD Loan.

Energy would be sold by the Project to Publishers in two forms -- steam and electricity. The cost of energy to Publishers should be based upon a price agreed to at the time the Energy Contract was signed, subject to adjustment according to certain price indices.

Specifically, prices paid for energy in the first year of operation would be based on prices agreed to by Publishers and MSD immediately prior to commencement of construction of the Facility, adjusted upward in accordance with movements in certain mutually acceptable price indices. The price indices would reflect, in part, changes in the costs of steam and electricity at comparable facilities, and, in part, changes in the price levels of goods and services in general. The same indices would be utilized in making adjustments to the prices paid by Publishers for energy over the life of the contract.

Assured demand for the energy produced would be critical to the strength of the Project, just as would

be the case with respect to the supply of refuse. While Publishers should not be required to make payment to the Owner unless energy were actually produced by the Project, the Energy Contract should specify that Publishers would be obligated to pay for all energy produced, within a maximum-minimum volume range, even if, as a result of unforeseen factors, Publishers were unable to use such energy. Publishers would have the right to resell to third parties any energy it purchases from the Facility.

IV. Arrangements for Additional Capital

The Project is designed to be a self-sustaining entity. That is, once the construction period was over, the Owner should have the expectation that no additional external capital need be infused, particularly equity capital. Nevertheless, to help assure the integrity of the Project in the case of certain extreme financial difficulties, we suggest that Times Mirror consider entering into a contract by which it would agree to purchase additional capital stock in the Owner, with such required new funding to be kept within prescribed limits.

As previously noted, additional capital might be necessary after start-up of the Project to provide for capital expenditures required by EPA or other regulatory authorities. Likewise, capital might be needed to modify equipment not performing satisfactorily. Furthermore, as touched upon in Section II, additional cash might be needed to assure that operating expenses and debt service were met and that the bond reserve fund were fully funded. To the extent that the Owner's internally generated funds were insufficient to cover its cash outlays in any period, additional cash would have to be raised from some source in order to avoid a default with respect to the Bonds and the MSD Loan, and subsequent financial equilibrium would have to be achieved through adjustment of the tipping fee.

To meet these extraordinary capital requirements, we suggest that consideration be given to an "Additional Equity Contributions Agreement" between Times Mirror and the Owner to cover temporary cash shortfalls whereby (1) Times Mirror would buy new common stock issued by the Owner whenever (a) Basic Debt Service

Coverage* would be less than 1.0x in any year, in order to bring Total Debt Service Coverage** up to a level of 1.0x, or (b) the bond reserve fund were less than the required amount, and (2) Times Mirror would buy new preferred stock issued by the Owner whenever funds were required to finance capital expenditures mandated by regulatory authorities, provided, however, that Times Mirror would not be obligated to buy such common or preferred stock if "Cumulative Additional Equity" investments in the Owner to date exceeded the following amount: the excess of the sum of (1) 100% of aggregate of investment tax credits (excluding state pollution tax credits), (2) 50% of the aggregate of net ordinary losses, and (3) 30% of the aggregate of net capital losses attributable to the Owner, as well as dividends paid by the Owner, over the sum of (a) 50% of the aggregate of net ordinary income and short-term capital gains, and (b) 30% of the aggregate net long-term capital gains attributable to the Owner.***

To the extent permitted by the Bond indenture, additional Bonds, if saleable, could be issued to finance cash needs of the Owner (in lieu of issuing new stock to be purchased by Times Mirror).

Assuming that the Project characteristics would be generally as described in the preceding four sections of this report, we believe that, under normal market conditions, the Bonds could be successfully sold. In particular, we believe that the average offering rate of interest necessary to sell the Bonds would be _____% if the Bonds were assessed to be of upper medium quality (i.e., if the Bonds received an "A" rating by Moody's Investors Service, Inc. and Standard & Poor's Corporation) and _____%

* Income before interest, income taxes, depreciation and amortization, divided by debt service.

** Income before interest, income taxes, depreciation and amortization, plus additional equity contributions, divided by debt service.

*** Although the factors in this formula (other than the dividend figure) are intended to approximate the net tax benefits Times Mirror would receive as a result of owning the Owner, the computation would not be altered according to tax law changes or Times Mirror's ability to use the tax benefits. Thus, access to Times Mirror's tax records would not be required, and debtholders would not be subject to the risk of changes in the tax laws.

if assessed to be of medium investment grade (i.e., if Baa/BBB). The exact quality of the Bonds would depend on the strength of the Project contracts and the perceived economics of the Project at the time the securities were sold.

We have enjoyed our work with you to date in developing a plan for a creditworthy project which would be attractive to all of the participants involved. If a decision to proceed with the Project is made, we would look forward to assisting you with respect to negotiation of the details of suitable contracts, preparing Bond offering materials and a rating agency proposal, conducting meetings with the rating agencies and institutional investors, and, finally, managing an offering of the Bonds.

Very truly yours,

MERRILL LYNCH WHITE WELD CAPITAL MARKETS GROUP
Merrill Lynch, Pierce, Fenner & Smith Incorporated

By: _____
Matthias B. Bowman

INFORMATION REPORT

Oregon Coast Exhibit - involving efforts to acquire outside funding for this display and specifically via the attached letter to Mayor Goldschmidt for assistance as a part of the Department of Commerce's demonstration city program.

June 8, 1978

Mayor Neil Goldschmidt
Room 303
1220 SW Fifth
Portland, OR 97204

Atten: Don Massiotti

Dear Mayor Goldschmidt:

I was interested to read that Portland has been selected by the Department of Commerce as a "demonstration city" for the pooling of assistance from its various agencies. As you and they consider how this might be accomplished, I'd like to suggest a zoo project that I think could involve assistance from the Department's Economic Development Administration, National Oceanic and Atmospheric Administration, U. S. Travel Service and the Office of the Chief Economist.

As you know, it is our hope to develop the Zoo along specific lines that will enhance its attractiveness for tourists. In a broader perspective, we feel that the Zoo is capable of not only being a "destination attraction" in bringing people to Portland, but through such displays as the Oregon Coast Exhibit and the Cascades Exhibit, which will interpret these nearby areas, also be able to generate interest in and additional visits throughout the state.

We are currently trying to develop a funding package for the construction of the Oregon Coast Exhibit. The cost of this facility will be approximately \$2,000,000 and will consist of two major underwater viewing displays for such

marine mammals as the harbor seal and Stellar sea lion as well as smaller aquarium presentations of marine fish and such invertebrates as octopus and crab. A special educational feature will be a hands-on tidepool where an interpreter will give hourly talks on these Oregon Coast plants and animals. Complete with a wave machine will be a shoreline and surf display of native birds. This exhibit will be not only a major attraction in our Zoo but will be an important resource for our educational and scientific programs.

My thoughts are that the EDA and the National Oceanic and Atmospheric Administration, which has the responsibility for the Bureau of Commercial Fisheries, Marine Game Fish Research Program as well as for marine mammals and generally for oceanic environmental study and education could combine forces to provide both funding and technical assistance for this exhibit.

And certainly, it would seem possible to involve the U.S. Travel Service, as the goal of such an exhibit would be to attract both foreign visitors as well as our own U.S. tourists to come to Portland. Assistance possibilities might include production of all the graphics which could later be for USTS film presentations, brochures, posters, etc. Another possibility could be the funding of a model of the exhibit which could be displayed in downtown Portland to help tell of the Department's involvement in the project and later to travel to the USTS field offices as part of special VISIT USA promotions. With the Service's assistance we could develop the important link between our exhibit and the Oregon Coast with emphasis on tour development up and down the coast.

Both through USTS as well as through the Department's Office of the Chief Economist we could set up an evaluation program that could determine the economic impact of the exhibit in terms of new visits and lengthened stays in Portland as well as effects on tourism at the coast itself. Such an analysis would be significant for a state whose third largest industry is tourism. For the Zoo it would be essential in developing a case for the construction of the future Cascades Exhibit.

Page 3.

If such a project has some interest for your people and the team from the Department of Commerce we would be most anxious to discuss it further and to provide you with additional materials.

Sincerely yours,

Warren J. Iliff
Director

WJI/can

