

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 06-191

Authorizing the County to Make an Internal Loan from the Risk Fund to the Dunthorpe-Riverdale Service District No. 1 in the Amount of \$400,000 to Complete Required Capital Maintenance at Tryon Creek and Riverview Pump Stations

The Multnomah County Board of Commissioners Finds:

- a. The Dunthorpe-Riverdale Service District had identified the need for \$200,000 of this loan in the adoption of the of the 2005/2006 fiscal year budget.
- b. The District was informed during the preparation of the District fiscal year 2006/2007 budget that the construction bid award for the Riverview Pump Station was above the previous engineer estimate and requires an additional \$200,000.
- c. The District was created under the provisions of ORS 451 which provides the Board authority to establish fees or assessments for the ongoing operation and maintenance of the District.
- d. The District recently approved an agreement with the City of Portland (Portland's adoption of agreement pending second reading by City Council and 30 day period) for operation and maintenance of sewer collection system to provide engineering functions necessary to expand the collection system, to protect the system and the environment, and to operate and maintain the collection system.
- e. The agreement requires the District to take all steps which are necessary and legally possible to raise sufficient revenues to compensate Portland for the cost of services provided by Portland and to assure that the District shall remain a financially solvent entity. Such steps shall include, but not be limited to imposition of service user fees, assessments against property in the District, imposition of connection and requiring mandatory sewer connections, raising District taxes and sale of bonds.
- f. An internal loan provides an affordable and practical method of providing immediate funding to the District. The District consists of approximately 560 customers who pay currently \$960/year for services. The ability to obtain short-term debt allows the District to avoid a price spike on the annual property assessment and default of payment with Portland for contract services.
- g. The County has identified funds in the Risk Fund that can be loaned to cover the shortfall on the Dunthorpe-Riverdale Service District capital maintenance projects.

- h. The Finance and Budget Office has reviewed the loan request and recommend that the Board authorize a loan in the amount of \$400,000 from the Risk Fund to the Dunthorpe-Riverdale Service District Fund in fiscal year 2006/2007.
- i. The loan is to be repaid over five fiscal years.

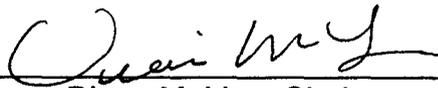
The Multnomah County Board of Commissioners Resolves:

1. The County authorizes the Chief Financial Officer to make the necessary accounting transactions in fiscal year 2006/2007 to loan \$400,000 from the Risk Fund to the Dunthorpe-Riverdale Service District Fund to fund the additional amounts needed for capital maintenance on the Tryon and Riverview Pump Stations.
2. The Dunthorpe-Riverdale Service District Fund will reimburse Risk Fund, including interest at 5.75% per annum, in the amount of \$94,314 each year for five years beginning in fiscal year 2007/2008 for the \$400,000 loan.
3. The Chief Financial Officer will include appropriations in future budgets to ensure the Risk Fund is repaid.

ADOPTED this 30th day of November, 2006.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON



Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 

Matthew O. Ryan, Assistant County Attorney