

RESOLUTION NO. 1253

A RESOLUTION OF THE CITY OF WILSONVILLE AUTHORIZING APPLICATION FOR OREGON ECONOMIC DEVELOPMENT DEPARTMENT WASTEWATER FINANCING PROGRAM FUNDS FOR THE CONSTRUCTION OF THE WILSONVILLE WASTEWATER TREATMENT FACILITY SYSTEM IMPROVEMENTS

WHEREAS, the City Council enacted ordinance No. 447 adopting the City of Wilsonville Wastewater Facility Plan and finding the improvements necessary to help protect the public health, safety and welfare of the municipality; and

WHEREAS, the City's wastewater facility is currently operating under a Stipulation and Final Order (SFO) from the Department of Environmental Quality that rigidly defines a schedule for plant improvements; and

WHEREAS, it is necessary that the City proceed with project financing, bid and award of construction contract if we are to avoid financial penalties associated with SFO noncompliance; and

WHEREAS, a revised sewer rate structure is currently undergoing review by the Water and Sewer Rate and SDC Task Force prior to proceeding through the budget committee to City Council for enactment; and

WHEREAS, the City wishes to avail itself of the Oregon Economic Development Department's Wastewater Financing Program to fund the necessary Wastewater Treatment Facility System Improvements; and

WHEREAS, the Oregon Economic Development Department has confirmed City and project eligibility following meetings with staff and review of draft application materials; and

WHEREAS, it is necessary at this time to finalize application materials for project financing.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

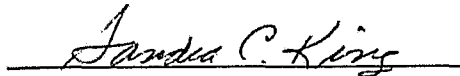
1. The City Council designates the Mayor as the authorized representative of the City to make application (Exhibit A) to the Oregon Economic Development Department for Wastewater Financing Program funds for the City of Wilsonville's Wastewater Treatment Facility System Improvements.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this fifth day of February, 1996 and filed with the Wilsonville City Recorder this date.



GERALD A. KRUMMEL, Mayor

ATTEST:



SANDRA C. KING, City Recorder

SUMMARY OF Votes:

Mayor Krummel	Yes
Councilor Lehan	Yes
Councilor Hawkins	Absent
Councilor Leahy	Yes
Councilor Leo	Yes

OREGON COMMUNITY DEVELOPMENT PROGRAMS

CONSTRUCTION APPLICATION

Oregon Economic Development Department
775 Summer St. N.E.
Salem, Oregon 97310-Ph: (503) 986-0122

Water and Wastewater Financing Program

() Drinking Water
(x) Wastewater

PLEASE SUBMIT AN ORIGINAL AND 3 COPIES

SECTION 1: APPLICANT

Applicant: City of Wilsonville
Address: 30000 SW Town Center Loop E.
Wilsonville, OR 97070
Contact Person: Constance J. Sylvester
Phone: (503) 682-4960
Fax No.: (503) 682-7025
IRS Employer ID #:

For Department Use Only:

Referred to SPWF
Referred to CDBG

PROJECT TITLE: Wilsonville Wastewater Treatment Facility System Improvements

SECTION 2: FUNDS REQUESTED AND PROJECT COSTS

Table with 2 columns: Fund Category and Amount. Rows include Funds Requested (\$9,653,000), Applicant's Funds (\$1,250,000), Other Funds (\$0), and Total Cost of Project (\$10,903,000).

Grants will be awarded after a financial review of the economic need of the applicant and specific circumstances of the project.

SECTION 3: BRIEF PROJECT SUMMARY (Answer only in space provided. Detailed description is to be provided on succeeding pages)

BRIEF DESCRIPTION OF NEED:

The existing rotating biological contactor (RBC) secondary system is inadequate for existing and projected wastewater treatment. This has resulted in ongoing performance and equipment problems.

BRIEF DESCRIPTION OF SOLUTION:

Convert and upgrade existing facilities to activated sludge with selector technology for biological secondary treatment with additional systemic improvements to enhance equipment and performance.

SECTION 4: EXPENDITURES:

Activities	W/W Funds Requested	Other Funds*	Project Total
	\$	\$	\$
Land or right-of-way acquisition	0	0	0
Water system improvements	0	0	0
Sanitary sewer improvements	6,540,605	1,190,000	7,730,605
Storm sewer improvements	0	0	0
Engineering	1,478,000	0	1,478,000
Contingencies	714,395	0	714,395
Project administration	XXXXXXXXXXXXXX	60,000	60,000
Debt Service Reserve			
Selling Costs @ 2%	920,000	0	920,000
Total Project	\$ 9,653,000	\$ 1,250,000	\$ 10,903,000

*Specify Source	Amount	Terms
SDC Reserve	\$ 1,250,000	
TOTAL	\$ 1,250,000	

SECTION 5: PROJECT DESCRIPTION

Attach additional pages as needed.

Please provide a full description of the project including:

- * the history of the water or wastewater system, including a history of system improvements,
- * the need for the requested improvements, and See Attachment 1
- * mandates imposed by governmental agencies. See Attachment 3, Chapter 4

Please attach a copy of the applicant's most recent regulatory agency inspection report.
See Attachment 2

SECTION 6: ENGINEERING FEASIBILITY:

A. Attach an Engineering Feasibility analysis, prepared and stamped by a registered professional engineer. At a minimum the report must include:

- * a description of the project; See Attachment 3
- * an explanation of the basis for the size and/or capacity of the proposed facility;
- * project alternatives considered and a demonstration that the proposal is the most cost-effective;
- * detailed cost estimate including all items necessary to construct the project;
- * preliminary design drawing of the project;
- * maps showing the general location of the project, the specific location of the project, including, line sizes, if applicable;
- * environmental concerns;
- * needed permits and/or licenses to construct the project. Permit public hearing March 1996

B. What jurisdiction(s) will own, operate and/or maintain the proposed improvements?
 City of Wilsonville, Oregon

C. Anticipated projected schedule: Start date
 Final engineering/design 3/95
 Construction 5/96

D. Drawdown schedule: See attached page 3a

ITEM	MONTH/YEAR	SOURCE		
Final Engineering				
1.		S	S	S
2.				
Construction				
1.		S	S	S
2.				
3.				
4.				
5.				
6.				

E. Consulting Professionals Contributing to the project (if known):

Engineer: CH2M Hill
 Address: 2300 NW Walnut Blvd.
 Corvallis, OR 97330-3538
 Contact: Mike Bracken, P.E.

Phone: (503) 752-4271

Legal Counsel: Michael Kohlhoff, City Attorney
 Address: 30000 SW Town Center Loop East
 Wilsonville, OR 97070
 Contact:

Phone: (503) 682-1011

D. Drawdown Schedule:

Item	Month/Year	Source		
		W/W Funds	Applicant	
Final Engineering				
1. Const. Docs	5/96	\$ 750,000	\$	\$
2. Const. Mgmt	6/96	100,000		
3. Const. Mgmt	7/96	55,500		
4. Const. Mgmt	8/96	26,022		
5. Const. Mgmt	9/96	26,022		
6. Const. Mgmt	10/96	26,022		
7. Const. Mgmt	11/96	26,022		
8. Const. Mgmt	12/96	26,022		
9. Const. Mgmt	1/97	26,022		
10. Const. Mgmt	2/97	26,022		
11. Const. Mgmt	3/97	26,022		
12. Const. Mgmt	4/97	26,022		
13. Const. Mgmt	5/97	26,022		
14. Const. Mgmt	6/97	26,022		
15. Const. Mgmt	7/97	26,022		
16. Const. Mgmt	8/97	26,022		
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19. Const. Mgmt	11/97	26,022		
20. Const. Mgmt	12/97	26,022		
21. Const. Mgmt	1/98	26,022		
22. Const. Mgmt	2/98	26,022		
23. Const. Mgmt	3/98	26,022		
24. Const. Mgmt	4/98	26,022		
25. Const. Mgmt	5/98	26,022		
Construction				
1.	6/96	\$ 302,291	\$ 49,583	\$
2.	7/96	\$ 302,291	\$ 49,583	
3.	8/96	\$ 302,291	\$ 49,583	
4.	9/96	\$ 302,291	\$ 49,583	
5.	10/96	\$ 302,291	\$ 49,583	
6.	11/96	\$ 302,291	\$ 49,583	
7.	12/96	\$ 302,291	\$ 49,583	
8.	1/97	\$ 302,291	\$ 49,583	
9.	2/97	\$ 302,291	\$ 49,583	
10.	3/97	\$ 302,291	\$ 49,583	
11.	4/97	\$ 302,291	\$ 49,583	
12.	5/97	\$ 302,291	\$ 49,583	

13.	6/97	\$ 302,291	\$ 49,583	
14.	7/97	\$ 302,291	\$ 49,583	
15.	8/97	\$ 302,291	\$ 49,583	
16.	9/97	\$ 302,291	\$ 49,583	
17.	10/97	\$ 302,291	\$ 49,583	
18.	11/97	\$ 302,291	\$ 49,583	
19.	12/97	\$ 302,291	\$ 49,583	
20.	1/98	\$ 302,291	\$ 49,583	
21.	2/98	\$ 302,291	\$ 49,583	
22.	3/98	\$ 302,291	\$ 49,583	
23.	4/98	\$ 302,291	\$ 49,583	
24.	5/98	\$ 302,291	\$ 49,583	
Project Administration				
1.			\$ 2,500	
2.			\$ 2,500	
3.			\$ 2,500	
4.			\$ 2,500	
5.			\$ 2,500	
6.			\$ 2,500	
7.			\$ 2,500	
8.			\$ 2,500	
9.			\$ 2,500	
10.			\$ 2,500	
11.			\$ 2,500	
12.			\$ 2,500	
13.			\$ 2,500	
14.			\$ 2,500	
15.			\$ 2,500	
16.			\$ 2,500	
17.			\$ 2,500	
18.			\$ 2,500	
19.			\$ 2,500	
20.			\$ 2,500	
21.			\$ 2,500	
22.			\$ 2,500	
23.			\$ 2,500	
24.			\$ 2,500	

SECTION 7. FINANCIAL INFORMATION

In order to make the applicant's job easier, an assortment of financial information will be collected by the Department from available resources, mainly the Applicant's Comprehensive Annual Financial Report. This information includes municipal taxes and levies, tax collection rates, general fund revenues, expenditures and balances, municipal debt position, and demographic information. All this information will be included in the financial feasibility analysis.

Information that only the applicant can provide is included in the next five pages.

A. Full Market Valuation for the three most current fiscal years:

Fiscal year ending 1995	\$ 977,304,907
Fiscal year ending 1994	\$ 899,358,171
Fiscal year ending 1993	\$ 845,638,783

B. Has there been an operating deficit in the last 5 years? If so, what actions were taken?

\$96,000 deficit on 6/30/94. Rates were increased effective January 1995. Projected ending balance for 6/30/95 is a positive \$15,000.

C. Specify the funds pledged as loan repayment.

Net revenues of sewer operating fund.

D. Would the payment of this loan be superior, on a parity basis, or subordinate to other debt that is serviced by the revenues pledged to this loan?

No existing debt for which sewer revenues are pledged.

E. Has the applicant ever defaulted on a debt? If so, provide a complete summary of all circumstances relative to the default.

No.

F. How will the ongoing maintenance, operation and replacement of the requested infrastructure be financed? Provide a copy of the facility plan documenting the ongoing operations, maintenance and replacement efforts.

User revenues. Rates recently increased to generate necessary cash flow to meet anticipated operating and debt service costs. Replacement of infra-structure will be financed by long term debt. See Attachment 4.

G. Summarize any pending litigation that may affect the ability of the applicant to repay a loan.

Coca-Cola Bottling Co. v. City of Wilsonville. Petition for Review/Declaratory Relief claims sewer rates and sewer system development charges. This lawsuit has been voluntarily put on hold by Coca-Cola with the City's concurrence to explore settlement proposals.

H. What is the current employment level, by full-time equivalent of the applicant?

1995-96 Budget: 114 fte

I. Is the applicant experiencing any financial complications as a result of Ballot Measure 5?

No. City and overlapping jurisdictions aggregate tax rate (maximum) for 1994-95 was \$7.6259 (figures provided by Clackamas County Department of Assessment and Taxation).

J. Building Permit History of the applicant's jurisdiction for the current year and the past four years: (Not applicable for ports and special districts.)

Year	Residential Valuation	# Permits	Non-Residential Valuation	# Permits
1994-95	\$26,192,018		\$16,643,418	
1993-94	25,804,517		18,806,588	
1992-93	16,548,958		8,051,485	
1991-92	16,601,116		17,742,640	
1990-91	23,456,385		27,828,286	
Data Source: City of Wilsonville Building Department				Year: 1995-96

SECTION 8. ECONOMIC DATA

A. Five Largest Employers of the applicant's jurisdiction: (ten or more employees)

Employer	Type of Business	# of Employees
Tektronix, Inc.	Electronics	1338
Payless Drug Stores NW, Inc.	Retail Corp. Hdqtrs/Dist.	1137
Mentor Graphics Corp.	Computer Related	887
Sysco Food Service	Grocery Warehouse/Dist.	350
In Focus Systems, Inc.	Computer & Office Equipment	293
Estimated total employment in jurisdiction		10,800
Data source: Business License Files		Year: 1994

B. Ten Largest Taxpayers of the applicant's jurisdiction:

Taxpayer	Type of Business	Total Taxes	Current Assessed Value
Mentor Graphics	Computer Related	1,011,117	57,909,310
Tektronix	Electronics	666,556	38,487,000
Payless Drug Stores	Retail	530,177	30,612,450
Wilsonville Land Assoc.	Retail Development	447,665	23,150,190
RFD Publications	Publication	346,627	20,014,270
Nike Inc.	Warehouse/Distribution	316,605	18,280,810
Sysco/Continental Foods	Warehouse/Distribution	289,430	16,711,700
Averbach Earnest Trustee		241,266	14,739,770
EQR - Bridgecreek Vistas	Residential Development	230,550	13,311,980
Security Capital PAC	Industrial Development	221,566	12,793,210
Total		\$	\$
Data source: Clackamas & Washington Co. Tax & Assessment		Year:	

SECTION 9. UTILITY FUND

(Complete this section for the appropriate municipal water or wastewater fund.)

A. Specify the Fund:

Sewer

B. Projections: Provide financial projections of fund activity as available.

	FYE: 1998	FYE: 1999	FYE: 2000
Connections			
1. Residential Single & Multi	3242	3378	3513
2. Industrial	100	104	108
3. Commercial & Other	272	283	290
Self-Supporting Debt Outstanding	-0- excluding proposed financing		
Debt per capita	0	0	0
Total Revenues excludes SDCs	1,800,000	1,872,000	1,960,000
Operating Expenses	1,263,200	1,283,100	1,300,000
Accounts Receivable As % @ FYE	20%	20%	20%
Top 10 Rate Payers as a Percent of Revenues			15%
Utility service rate increase (decrease) (NC if no change)	%	%	%
Consumption (as a percentage of total consumption)			
Commercial/Industrial			36%
Residential			64%
Other			-%

C. Specify any enterprise or utility funds that are not available to service this loan.

Net revenues of the sewer operating fund are the only funds available to service this loan.

D. Rates: () Water (x) Wastewater

1. What are the rates for:

Residential:

Industrial: see page 8a

Commercial/Other:

2. When were the rates last changed?

January 1, 1995

3. Who sets the rates?

City Council

4. What approval is required to change rates?

City Council

5. Is a rate increase expected for this project?

Rates were increased in anticipation of this project. They will be increased again; proposed revisions to rate structure currently under consideration

6. Is the water system metered?

E. Ten largest customers

Name	Revenues
Tektronix	\$ 82,100
Bridge Creek Apartments	41,000
Burns Brothers	24,200
Capital Realty Group	16,800
Sysco Food Service	16,500
Oregon State Highway	16,500
Burns Motel	13,500
Landura Mgmt. Assoc.	12,200
Holiday Inn	11,800
Springridge	11,600
Total	\$ 246,200
Data source: City billing history data base	Year: Est. 1995

Sewer Rates Per Resolution #1155 - Effective January 1995

New Code	Meter Size	Customer Class	Base Charge with 4% Franchise Fee	Units in Minimum	Add'l Chg w/4% Franchise Fee
71		Single Family	\$14.23	5	\$2.43
72	no water usage	Single Family	\$14.23	5	\$2.43
75		Multi-Family	\$14.23	5	\$2.43
76	no water usage	Single Family - mobile	\$14.23	5	\$2.43
80	5/8"	Commercial/Industrial	\$17.47	5	\$2.43
81	1"	Commercial/Industrial	\$22.34	5	\$2.43
85	1 1/2"	Commercial/Industrial	\$30.46	5	\$2.43
82	2"	Commercial/Industrial	\$40.20	5	\$2.43
83	3"	Commercial/Industrial	\$62.92	5	\$2.43
84	4"	Commercial/Industrial	\$95.39	5	\$2.43
86	6"	Commercial/Industrial	\$176.55	5	\$2.43
88	8"	Commercial/Industrial	\$273.95	5	\$2.43
89	10"	Commercial/Industrial	\$481.07	5	\$2.43
not assigned	3/4"	Commercial/Industrial	\$19.09	5	\$2.43

Note: The City bills each customer bimonthly - and the rates reflect bimonthly charges. All commercial/industrial sewer charges are based on actual consumption. Residential customers are charged based on average winter consumption.

cjs/ww/table

Attach the following items with the application:

1. Public hearing notice, minutes of the public hearing and minutes of the meeting at which submission of this application was approved. See Attachment 9.
2. Engineering feasibility (see Section 6). See Attachment 3.
3. Document from OSHD, DEQ (See Section 5). See Attachment 2.
4. One copy of each of the applicant's last three annual audit reports and one copy of the current budget. See Attachment 5.
5. Copies of any documents creating any enterprise fund which may be pledged for repayment of the loan. None.
6. Copies of any ordinances which established any debt which is supported by the enterprise fund referred to in item 5 above. N/A
7. Capital Improvement Plan (if available) and water or wastewater facilities plans as appropriate. See Attachment 3 and Attachment 6.
8. One copy of the applicant's enabling charter as amended. See Attachment 7.
9. Pertinent sections of the municipality's comprehensive Land Use Plan. See Attachment 8.

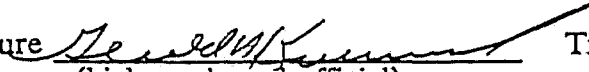
SECTION 10. CERTIFICATION

I certify that:

We have the authority to request and incur the debt described in this application and upon award, will enter into a contract for the repayment of any loans and/or bonds.

We have held the required public hearing and will comply with all applicable local, state and federal regulations and requirements.

To the best of my knowledge all information contained in this application is valid and accurate and the submission of this application has been authorized by the governing body of the undersigned jurisdiction.

Signature  Title Mayor
(highest elected official)
Jurisdiction City of Wilsonville
Name Gerald A. Krummel Date February 5, 1996
(type or print)