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Photo by Dan Sites

Like hunting for a needle in a haystack, these youngsters scoured the straw for money at the annual Veterans of Foreign Wars picnic last Sunday at Obrist's Park.

City feels pinch on building

With housing starts in a slump the "little things" are keeping the Sandy Building Department busy, but the outlook for the rest of the year isn't bright.

"We've been busy with remodels and additions," Building Official Tom Day said. "These little things just keep you going."

A recovery, however, "is not going to happen until the prime interest rate comes down to a stable position and stays there," he said.

The effect of the prime interest rate is reflected in Sandy's construction starts.

Halfway through 1982, the Building Department has handled $914,571 in total valuation. Doubled, that would fall short of the high-water mark the department established in 1980 when more than $6.1 million valuation was handled by the department.

Last year, the department handled nearly $5 million for the city.

Day, who recently prepared a report on the department's progress during his nine and a half years as building official, remembered 1980 as a big year. Twenty-eight condominiums were built at Park Crest, the Mormon Church built a new addition and some larger projects were in the works.

This year permits for mobile homes in Knollwood Estates have "been carrying us," Day admitted, but even that could be coming to an end as just 15-16 vacancies remain.

But things may not necessarily be all that bleak.

Last month, the city issued its first two housing permits since March and Day is optimistic.

"Maybe the building will pick up a little; next month the post office may be in for permits," he said.

"It's kind of amazing we generated over a quarter million dollars in permit fees," he said. "That never even cost the taxpayers a dime."

Also shocking to Day is that the department has handled more than $31 million worth of valuation.

If the housing industry comes back to life in the spring, as some experts are saying it will, then the past nine years will be just the foundation of a growth pattern that local officials expect to skyrocket Sandy's population to some 15,000 by the turn of the century.

Septic tanks OK'd for lots with sewer on way

The Sandy City Council firmed up its policy Monday night for construction on septic systems, but two councilors feel the city may have overstepped its bounds.

By a 4-2 vote, council gave its approval to a set of conditions that would allow constructon on a septic system, even if sewer service is impending. One condition would require an agreement to connect to the sewer system when it is available in the future.

In addition, the city would require approval of a septic system by Clackamas County Soils Department and participation by the homeowner in construction needed to bring the sewer system to the property.

City Councilor Vern Richards thinks the policy places an undue hardship on the property owner who is trying to develop his land.

"I think it's a bad way to say to the property owners of the town that this is the only way we will allow you to utilize your land. . . without any real rationale behind it," he said.

Richards said he favors putting the criteria in the form of an ordinance or resolution, rather than a policy.

City Manager Roger Jordan said "participation in the construction" means that the property owner won't remonstrate against the city at the time of the sewer construction.

Councilor Tim Ward, the other dissenting voter, said policies have a tendency to alienate the public even if they are universally applied.

The policy will apply only where there is an existing lot of record and no further divisions of property or subsequent development on septic tanks would be permitted, unless the conditions are such as to meet the city's development standards for transitional areas where sewer service will be available in a short number of years.

The two properties that have been allowed to hook up to the septic tank, rather than waiting for the sewer, are both in the Sandy Heights area.

Sewer service will be available to that area once the line connecting the Papa Bear subdivision and the latter phase of the Knollwood Estates project is completed to the city's trunk line running up Tickle Creek.

This area differs from the North Bluff area, because sanitary sewer service can be expected to be available within a few years' time, according to City Planner Don Wilson.

Jordan said the purpose for establishing the policy, rather than passing an ordinance, is to let developers know the standards of the city so there will be no surprises when they apply for permits.

Mountain water stystems ready to change hands

by MICHAEL P. JONES
Post Correspondent

The United States v. the Alder Creek Water Company took a major step last week toward resolving some issues on a growing list of problems that has plagued water users the last few years.

At a hearing before U.S. District Magistrate George E. Juba, water users packed the courtroom and learned that Gene Ginther will be relieved of his duty as federal receiver of the water company on Aug. 1.

The receivership will be transfered to the Alder Creek Water Authority, the board of the newly-created water districts serving the Alder Creek-Barlow, Sleepy Hollow, Country Club, Riverside and Wildwood Annex systems.

At that time Ginther will turn over to the board all records of accounts, records of each water system and the company's assets and property that was acquired when he was appointed receiver in September 1980.

The Water Authority will be responsible for administration, management and operation of the five water systems, including compliance with federal and state guidelines.

Federal court will require the Authority and the U.S. Environmental Protection Agency to have agreed upon a timeline by Aug. 15 that will be followed to bring the five water systems up to the requirements of the Safe Drinking Water regulations. Engineering plans, specifications for improvements to each water system and a method for financing will have to be completed.

The court ordered that Riverside, Wildwood Annex, Country Club and Sleepy Hollow systems be in compliance with the Safe Drinking Water Act by Nov. 1, 1983.

Alder Creek-Barlow, which is reportedly in the worst condition of all the systems, has until Sept. 15, 1984 to be in compliance.

Prior to the hearing the attorneys representing the water users, Ginther, the EPA and the federal court, reached agreement on the ownership of the company's five systems and the money reportedly owed the receiver for operating the company the past two and a half years.

Ward Greene, Ginther's attorney, told the court his client has agreed to be paid "a much lower figure" than the $157,000 that he claims the water users owe him for his services.

Without disclosing the purchase amount agreed upon by Ginther and the Water Authority, Greene said the water users will pay the money to the court which will then dispense the money to his client.

"We are paying solely for the assets of the company," said attorney Edward Sullivan, representing the Water Authority,"not for the receiver's fees."

Still the question of the legality of such a move and its effects on the company's former operator, Gerald "Red" Bennett, is not settled. Bennett's attorney claims Ginther "has no such authority to sell it."

Portland attorney, Brian O'Brien, said his client prefers to see the receivership of the company in the hands of the people rather than Gint(er, but neither have ownership rights. He charged that he could "find no authority for Mr. Ginther to change the trust outside of the physical operation of the district."

Juba told O'Brien that the receivership will change hands and he will have 10 days to appeal.

O'Brien also accused the EPA and Ginther of "acting in concert" to secure ownership of the company from the first day he was made receiver. He accused Ginther of attempting to carry out this objective by charging a $10,000 to $15,000 monthly fee for operating the district.

Greene, speaking on behalf of Ginther, denied the charges.

"Mr. Ginther has, at all times, acted within the order laid upon him (by the federal court)," said Greene. "The very fact we're here today and very happily here to transfer the receivership of the district demonstrates this."

Juba said he "agreed in principal" with the transfer of the company's receivership, adding his "primary intension was to turn over the receivership and get it into the hands of the users of the systems," after the new districts were formed.

"It's unfortunate the government has to get involved in these things," said Juba. "(Governments) are asked to run schools, prisons and, in this case, water systems. The court doesn't know anything about operating water systems."

City tells lot owners 'Cut weeds'

The city is getting tough on weedy lots.

Monday night, the Sandy City Council declared 86 lots in the city to be public nuisances.

And at its next meeting the council is expected to act on a proposed ordinance that will put more teeth into the fight against the eyesores and fire hazards.

By declaring the lots nuisances, the council gave the go-ahead to City Planner Don Wilson to send registered letters to the property owners advising them to clean up their briar patches or the city will do it for them—and put a lien on the property until the clean-up fee is paid.

Wilson and Building Official Tom Day have spent the past two months surveying the weed situation.

But, this late in the year the damage may already be done. So, at the suggestion of Councilor Jim Duff, City Attorney Jack Hammond will prepare an ordinance that would set a date when the weeds would have to be eliminated and kept eliminated during the summer months.

That, it is believed, will make policing the growing weed nuisance easier.

Contract question finds architect, school at odds

by MICHAEL P. JONES
Post Correspondent

Welches School District and Glynbrook Construction Company this week entered arbitration over construction problems involving the $1.4 million school addition to Welches Grade School.

The arbitration proceedings involve a disputed $100,000 which the Salem-based construction company claims the district owes for construction modifications. That figure includes a $50,000 penalty fee the district imposed on them for construction delays.

The district maintains that it is withholding $200 per day in liquidated damages from Glynbrook for not having the three-wing addition completed by Nov. 24, 1981.

Although neither party would answer questions concerning the issues before the arbitrator, the hearing is expected to focus on a 25 percent contingency fund agreement between the architectural firm, Richard T. Gessford & Associates of Portland, and the school district.

In that agreement, the school board signed an amendment to the original $166,000 contract, which allowed Gessford to administer a $256,000,000 contingency fund which was to cover change orders in the project, soil and conrete tests, survey work, legal fees, a conditional-use permit fee, plan check fees, pencil sharpeners, flags and toilet paper holders and extra expenses that may arise.

Gessford told the board that if he saved the district money, at the end of the project the district and his firm would split the savings. His firm would receive 25 percent "for services and project control;" the district would keep 75 percent.

From that agreement three other issues emerged which will be dealt with in the proceedings. They are the lack of a general contractor on the job site, the presence of organic fill beneath the excavated building site and the absence of soil tests which would have revealed the presence of the organic material.

By agreeing to the contingency contract, the board thought Gessford would act as the project's general contractor, according to Superintendent Kenneth Blackburn. That would have made the architect responsible for any problems that arose on the job.

Gessford, on the other hand, said that the contract only meant he was going to try and save the district money.

The architect and board agreed to the contract amendment Oct. 11, 1979.

Tapes from that meeting reveal the contingency fund deal was Gessford's idea. He told the board there would be "always extras and additional services that come up (during construction), such as testing, and on and on."

He said the board had asked him earlier to prepare an amendment to the contract which would cover any extra costs.

"'You prepare a contract for us with that stuff included,'" Gessford recalled the school board telling him. "'We don't want any extra bills. We don't want a bunch of these chan"e orders. We want you to cover the whole merryanne.'"

Gessford said the board may have been joking but he took them as serious and "felt obligated to attempt to put that kind of package together." He told the school board that such a contract would be tough to do, but after talking it over with his partner, Leon Hamblin, they decided to "to take the risk."

"The discussion that we had that night was that you do this and we'll set up a contingency fund," said Gessford. "You take it and you administer the contracts. If you can save us some money we'll split it with you.

"I think the discussion was 50-50, but that's not fair. We feel that if we got 25 percent of that we'd be doing super. It's more than fair and we'd even negotiate that."

Alan Jensen, then chairman of the board, asked Gessford if he felt comfortable taking on such a contract and without feeling he was "hanging" himself.

Gessford said he felt comfortable because his firm had had enough experience administering projects in that way. His firm had similar contingency agreements in McMinnville and two school building projects in Sisters.

"What it does (the 25 percent contract), it forces us to be darn careful of our original bond," explained Gessford. "And that's the way you get the best price for your project.

"It puts a monkey on our back to have great cost control. We're really gonna be on top of the thing. We're still gonna have to answer to the school board, of course. We're not gonna waste anybody's money, but the more we can save, the better off everybody."

If the board didn't agree with the revised contract, Gessford told the board they would have to stick to the terms of their original contract. That would mean that every time a change order was needed he'd have to give the contractor a field order to fill out. When he got the field order back showing the extra cost, then he'd prepare a change order and the board would have to call a meeting to take action before anything could be done.

This, he warned the school board, could slow down the project's construction and problems could not be dealt with immediately.

"'If you don't go for this amendment, it isn't gonna change our attitude about the job,'" Gessford told the board. "'We're still gonna bust our butts to do the best job possible because this is how we get the next job somewhere else.'"

The board unanimously agreed to the terms of the contract.

In return, Gessford would receive 25 percent of the money he saved the district which could amount up to an estimated $65,000.

"It's a heck of a contract," said Gessford at the time of the contract signing. "I've always wanted to do one like it but I've never had an opportunity to even talk to a board about it. It's a challenge on one hand, but it could be a real exciting project."

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