

Welches sewer district merged to meet debt

by TOM FLUHARTY
for The Post

The merger of the financially troubled Hoodland Service District with the larger Clackamas County Service District 1 was approved Thursday night by the regional boundary commission.

The Portland Metropolitan Area Local Government Boundary Commission also included the small Clackamas County Service District 6 in the merger.

The merger will allow Hoodland to borrow money from the more financially secure Service District 1 to pay off bonded indebtedness rather than levy a property tax.

Dave Abraham, Clackamas County public services director, said it made sense for the three sewer districts to merge. All provide the same service and all can benefit from the economy of scale, he said.

Each of the districts was formed at a different time for a different reason, Abraham said.

The Hoodland Service District was formed in 1980 as a result of the Mount Hood Community Plan and its accompanying sewage facilities plan.

The expected federal grants never materialized and the property owners formed a local improvement district to finance sewers along the Mount

Hood corridor. The district sold 20-year Bancroft bonds, Abraham explained.

Then the recession hit and crimped development. Subdivisions were not sold or delayed. Owners were confronted with the assessment for the improvement district and people began missing payments, Abraham said. The first bond payment fell \$8,000 short but the service district paid for it out of its general fund. The second payment was \$80,000 short.

Hoodland was faced with levying a property tax — estimated at \$2.60 per \$1,000 assessed valuation — to pay off the bonds, a tactic it was reluctant to adopt because it had promised

when it was formed not to levy a property tax and because about half of the property in the district has no sewers or development plans.

The district can foreclose on the delinquent property but that takes too long to meet Hoodland's immediate needs.

With the merger, Hoodland can borrow from Service District 1's \$2 million general fund surplus to meet its bond payments and then repay the money after foreclosing on the property.

The merger will result in long-term benefits for Hoodland without affecting Service District 1, said Abraham. The merger also will cut equipment and administrative costs.

Service District 6, located in Fischer's Forest Park, also will benefit, Abraham said.

The small district consists of 26 homes in a single subdivision. The district's subsurface disposal system has failed and a new one will cost \$72,000. The district was able to qualify for a \$52,000 federal grant but that still leaves too large a burden for the individual property owners, Abraham said. A bond program for such a small district would be unworkable, he said. The merger will allow the district to use Service District 1's resources and to sell Bancroft bonds.

Adrienne Shields, a Property owner in Hoodland,

told the boundary commission that she surveyed 60 property owners and all were in favor of the merger.

Mary Erickson read a letter from Steve Taylor, general manager of Rippling River and chairman of the Hoodland Service District budget committee, strongly supporting the

merger.

William Engram, a property owner in Service District 1, which is located in the northwest corner of Clackamas County, vehemently opposed the merger.

Speaking for the North Clackamas Citizens Association and several other groups, he said the

merger "smacks of a bailout."

The merger wasn't explained to the ratepayers in Service District 1 and people aren't aware of the consequences, he said.

The administrative advantages will be outweighed by the financial obligations the citizens must assume, he said.

School store will expand stock

by CHRISTINE MILNE

An expanded product line and longer hours will be a part of an improved student store at Sandy High School this year.

"Phase One," the store located across from the main gym just inside the main entrance, will be run by seniors Carrie Watt, manager, and Bryan Prosser and Bonnie Calnek, assistant managers.

Also involved are the 13 members of a marketing class. Asked how decisions are made with such a large group, Advisor Joe Kniser said, "I let them fight it out."

Kniser, in his third year as advisor to the student store, said students gain experience in buying and selling, inventory control, advertising and market research.



Bryan Prosser, Joe Kniser, Bonnie Calnek and Carrie Watt.

Photo by Christine Milne

"In addition to school supplies, we'll be into health foods and fashion items," he said in explaining their expanded line of merchandise.

"We're not just a school

supply store," Watt stressed. Items available — through a catalog or stocked in the store — will include belt buckles, bumper stickers, hats, t-shirts with the names of rock groups on them, fashion glasses, posters, taffeta wall hangings and concert tickets.

In addition they'll sell products for other school clubs, and will deliver flowers. Earrings with flashing lights have already been requested.

Like other businesses, the student store will have a check cashing policy.

The store has outgrown its present location, and an

alternative room is being considered. An opening date for this year hasn't yet been determined.

Watt and Calnek hope to later put the experience they gain to work with both having goals of going into business for themselves.

Kniser is letting the students do most of the work. "The store will be pretty much the responsibility of Carrie, Bonnie and Bryan, and members of the class as salespeople," he said. "The store will project a new image, a new line of products."

Asked about students

running a business with the goal of making a profit, Kniser said, "Emphasis is on experience, not money. Most of it goes back into the store."

Asked how he feels about being in the class, senior Ken Jepson said, "It feels great. This class is a great experience; it's fun."

Christine Milne is a senior at Sandy High School.

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Police cite three

On Nov. 9 Edward Landgrebe, 45, of Estacada was cited for shoplifting at Sandy Sentry, according to a Sandy police department report.

On Nov. 12 Dennis G. Denton, 31, of Portland was lodged in Clackamas County jail. He was charged with theft from a home.

violation of a restraining order and two counts of carrying a concealed weapon.

On Nov. 13 Jeffrey Wayne Collins, 21, was lodged in the Clackamas County jail. He was charged with theft from a home.



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