

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

RESOLUTION NO. 2025-053

Resolution authorizing an Internal Loan from the Risk Management Fund (3500) to the Dunthorpe-Riverdale Service District No.1 Fund (3000) in the amount of \$4.0 million to provide funding for the Dunthorpe-Riverdale Elk Rock Pump Station Replacement Capital Project.

The Multnomah County Board of Commissioners Finds:

- a. The Dunthorpe-Riverdale Service District No. 1 (the "District") was created under the provisions of ORS chapter 451 which provides authority to the Multnomah Board of County Commissioners to establish fees or assessments for the ongoing operation and maintenance of service districts.
- b. Fee assessments are collected monthly per connection, with the current rate set at \$240.00 per month per connection. The assessment fee increased from \$210.00 to \$240.00 in fiscal year 2026. The fee increase helps fund increased operations/maintenance costs and future capital needs.
- c. The District is replacing the Elk Rock Pump Station and will be conducting construction activities in fiscal years 2026 and 2027. Pump stations safely move raw sewage from a lower elevation to a higher elevation in order to overcome local geographical challenges and get the sewage to a treatment facility. Modern pump stations typically have a useful life of 50 years. The Elk Rock Pump Station has been in service for more than 54 years and requires replacement.
- d. The Elk Rock Pump Station Capital Project (the "Project") is estimated to cost \$11.2 million. The District's portion of this cost is \$8.8 million, or about 78.3% of the Project's total cost. The remaining balance will be funded by City of Portland. The District is expected to spend about \$4.7 million from fiscal year 2026 to 2027 to reach substantial completion. Though the District will use fee assessment revenues to fund the Project, they require a \$4.0 million cash flow loan to bridge the timing of receipts.
- e. The County has identified funds in the Risk Fund (3500) that can be loaned to cover the District's cash flow needs for the Project. The County's Chief Financial Officer has confirmed the District's annual fee assessment revenues are sufficient to pay back the loan over a 10-year term.
- f. As provided under ORS 294.468, the Board may authorize by resolution the use of an internal ("Interfund") loan to finance capital needs (design, acquisition, construction, installation, or improvement of real property), provided that the loan term not exceed 10 years.
- g. There is sufficient cash in the Risk Management Fund to make an Interfund loan of \$4.0 million to the Dunthorpe-Riverdale Service District No.1 Fund (3000).

h. The Interfund loan will be processed in September of 2025. The loan will be for a 10-year term, with an annual principal and interest payment. Interest on the loan will accrue at the rate the County earns in the Local Government Investment Pool (LGIP), currently 4.6 percent. The County's Chief Financial Officer will provide the Department of Community Services with a debt amortization schedule for loan. The average annual interest payment is \$108,000.

The Multnomah County Board of Commissioners Resolves:

1. In order to fund the construction phase of the Elk Rock Pump Station Capital Project, an interfund loan is necessary to ensure the capital project has sufficient cash to meet project obligations as they become due.
2. The County authorizes the Chief Financial Officer to make the necessary accounting transaction in fiscal year 2026 to loan \$4.0 million from the Risk Management Fund to the Dunthorpe-Riverdale Service District No.1 Fund to provide funding for the Elk Rock Pump Station Capital Project.
3. Using assessment fee revenues, the Dunthorpe-Riverdale Service District Fund will reimburse the Risk Fund each year for the 10-year loan term beginning in fiscal year 2026, including interest at 4.6% per annum.
4. The Chief Financial Officer will include appropriations in future budgets to ensure the Risk Fund is fully repaid.

ADOPTED this 28th day of August, 2025.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON



Jessica Vega Pederson, Chair



REVIEWED:
JENNY M. MADKOUR, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
William Glasson, Senior County Attorney

SUBMITTED BY: Eric Arellano, Chief Financial Officer