

SEAL ROCK WATER DISTRICT  
Board of Commissioners  
Regular Monthly Board Meeting Agenda  
Thursday, August 8, 2024, @ 4:00 p.m.  
This will be a hybrid meeting

SRWD will conduct this meeting in person and using Zoom video conferencing due to the restricted capacity for in-person gatherings and our commitment to prioritize the safety of the public and our employees. We strongly encourage the public to participate in this meeting electronically. To access further information, including registration details, please visit the SRWD website at [www.srwd.org](http://www.srwd.org) on the day of the meeting. We invite members of the public to submit written comments regarding agenda items by emailing [tkarlsen@srwd.org](mailto:tkarlsen@srwd.org) no later than 2:00 p.m. on the day of the meeting. Submitted comments will be shared with the SRWD Board of Commissioners and will become part of the permanent record.

- **Call Regular Meeting to Order:**

- **Announcements/Visitor Public Comments:** *The public comment period provides the public with an opportunity to address the Commissioners regarding items on the agenda. Please limit comments to (3) minutes.*

- **Consent Calendar:**

*Managers' reports included under the consent calendar are an executive summary provided to Commissioners as an update of system conditions, projects, and programs. Management welcomes your feedback and requests more detailed information regarding any item before or during the meeting:*

- Invoice List July 2024 to August 2024
- Board Meeting Minutes July 11, 2024
- Financial Report / Approve Invoices July 2024 to August 2024
- USDA PMR Phase IV No. 47 August 8, 2024
- General Manager's Monthly Report July 2024 to August 2024

- **Discussion and Information Items:**

- Consider the South Bay Road Emergency Pipeline Replacement Project.  
Presented by: Adam Denlinger, General Manager

- **Decision Items:**

- Consider Oregon Department of Environmental Quality (DEQ) Clean Water State Revolving (CWSRF) Loan Agreement.  
Presented by: Adam Denlinger, General Manager

- **Reports, Comments, and Correspondence:**

- District office will be closed Monday, September 2<sup>nd</sup> in honor of the Labor Day Holiday.
- WMCP Final Order for Seal Rock Water District

- **Executive Session: according to ORS 192.660(2), Concerning:**

The SRWD Board may meet in Executive Session, pursuant to ORS 192.660(2)(h); To consult with legal counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed. Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience are asked to leave the room. Representatives of the news media are specifically directed not to report on any of the deliberations. No final decisions shall be made in the Executive Session.

- **Adjournment:** Next Meeting: **September 19, 2024, @ 4:00 p.m.** Regular Board Meeting or established date.

THIS AGENDA MAY BE AMENDED UNTIL 3:00 PM THE DAY BEFORE THE MEETING

SPECIAL ACCOMMODATIONS WILL BE PROVIDED WITH 48 HOUR NOTICE; CALL 541-563-3529.  
IF HEARING IMPAIRED, PLEASE DIAL 711 OR CALL TTY#1-800-735-1232  
This Institution is an Equal Opportunity Employer and Service Provider

**ORIGINAL**

Report Criteria:

- Detail report.
- Invoices with totals above \$0 included.
- Paid and unpaid invoices included.

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount
<b>11-5751</b>				
OREGON COAST TECHNOLOG	5736 (1 OF 2)	Deposit for Dell PowerEdge Server Hardware x2	07/18/2024	16,000.00
Total 11-5751:				16,000.00
Grand Totals:				<i>W</i> 16,000.00

Dated: July 18, 2024

General Manager: A. Nishu

Dated: \_\_\_\_\_

Treasurer: \_\_\_\_\_

*[Handwritten Signature]*

**ORIGINAL**

Report Criteria:  
Detail report.  
Invoices with totals above \$0 included.  
Paid and unpaid invoices included.

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount
<b>01-1310</b>				
MICHELLE PETERSON	072424	Refund Overpayment Final Bill	07/24/2024	25.83
Total 01-1310:				25.83
<b>01-5063</b>				
BRENDI HOCH	073124	Quarterly Mileage Reimbursement (Jan-March2024 & April-June 2024)	07/31/2024	24.86
JOCELYN KING-CORTES	073124	Quarterly Mileage (Jan - March & April - June)	07/31/2024	191.62
Total 01-5063:				216.48
<b>01-5065</b>				
PETTY CASH	72924	Safeway Clorox Bleach for WTP	07/29/2024	33.96
Total 01-5065:				33.96
<b>01-5271</b>				
CHARTER COMMUNICATIONS	001293707192	Internet (Office)	07/19/2024	134.98
Total 01-5271:				134.98
<b>01-5272</b>				
AT&T MOBILITY	07232024	Wireless	07/15/2024	198.56
Total 01-5272:				198.56
<b>01-5274</b>				
AT&T MOBILITY	07232024	Wireless WTP	07/15/2024	51.48
Total 01-5274:				51.48
<b>01-5290</b>				
PETTY CASH	72924	Waldport Ace: Extension Cord for Board Room	07/29/2024	19.99
PETTY CASH	72924	Hi-School Pharmacy- Card for Trish	07/29/2024	3.95
STAPLES BUSINESS ADVANTA	6007107312	Post-it 'Sign Here' Message Flags, 1" Wide, Yellow, 100 Flags/Pack	07/20/2024	15.18
STAPLES BUSINESS ADVANTA	6007107312	Staples 50% Recycled Multipurpose Paper 8 1/2 x 11 1 ream	07/20/2024	158.68
STAPLES BUSINESS ADVANTA	6007107312	Fellowes Shredder Bags 9 Gal., 100/Box	07/20/2024	22.87
STAPLES BUSINESS ADVANTA	6007107312	Fellowes AutoMax 150C Hands Free Cross-Cut Commercial Shredder	07/20/2024	325.22
STAPLES BUSINESS ADVANTA	6007107312	Pilot G2 Retractable Gel Pens, Fine Point, Black Ink, Dozen	07/20/2024	11.72
STAPLES BUSINESS ADVANTA	6007107312	Pilot G2 Gel-Ink Pen Refill, Fine Tip, Black 2 pack	07/20/2024	10.68
STAPLES BUSINESS ADVANTA	6007107312	Staples Bond Cash Resister/ POS Rolls x 12	07/20/2024	22.92
STAPLES BUSINESS ADVANTA	6007107312	Staples Manila File Folders, Letter, 3 Tab, Assorted Position, 100/ Box	07/20/2024	12.58
STAPLES BUSINESS ADVANTA	6007107312	Staples Pastel Multipurpose Paper, 20 lbs., 8.5" x 11", Green, 500/Ream	07/20/2024	8.39
STAPLES BUSINESS ADVANTA	6007107312	TRU RED 8.5" x 11" Copy Paper, 20lbs, 92 Brightness, 5000/ Carton	07/20/2024	181.96
Total 01-5290:				794.14
<b>01-5291</b>				
PETTY CASH	72924	USPS Forfeiture Letter to Customer	07/29/2024	8.56
PETTY CASH	72924	USPS Forfeiture Letter to Customer	07/29/2024	8.56
US POSTAL SERVICE - WALDP	07182024	Bulk Mailing	07/18/2024	972.11

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount
<b>Total 01-5291:</b>				<b>989.23</b>
<b>01-5310</b>				
TCB SECURITY SERVICES INC.	245900	Base Monthly Account Fee	08/01/2024	45.00
TCB SECURITY SERVICES INC.	245900	Level 1 Calls	08/01/2024	5.55
<b>Total 01-5310:</b>				<b>50.55</b>
<b>01-5360</b>				
PETTY CASH	72924	Safeway: ice for employee Appreciation Lunch	07/29/2024	2.99
<b>Total 01-5360:</b>				<b>2.99</b>
<b>01-5600</b>				
PETTY CASH	72924	Walgreens: Battery for garage door opener for treatment plant	07/29/2024	9.99
<b>Total 01-5600:</b>				<b>9.99</b>
<b>01-5605</b>				
CASCADE COLUMBIA DISTRIBU	900295	Caustic Soda 25% NSF 550# Drum	07/08/2024	649.00
CASCADE COLUMBIA DISTRIBU	900295	Freight	07/08/2024	147.07
CASCADE COLUMBIA DISTRIBU	900295	Container Deposit	07/08/2024	300.00
CASCADE COLUMBIA DISTRIBU	900295	Environmental Surcharge	07/08/2024	35.00
CASCADE COLUMBIA DISTRIBU	901697	Sulfuric/Citric Blend Tote	07/24/2024	4,118.00
CASCADE COLUMBIA DISTRIBU	901697	Container Deposit	07/24/2024	400.00
CASCADE COLUMBIA DISTRIBU	901697	Freight	07/24/2024	146.59
CASCADE COLUMBIA DISTRIBU	901697	Environmental Surcharge	07/24/2024	35.00
PETTY CASH	72924	Walmart: WTP Bathroom/ Kitchen Supplies	07/29/2024	12.45
PETTY CASH	72924	Rays: Bleach	07/29/2024	17.98
<b>Total 01-5605:</b>				<b>5,861.09</b>
<b>01-5610</b>				
CENTRAL LINCOLN P.U.D.	072424	Utility Services	07/24/2024	1,347.23
<b>Total 01-5610:</b>				<b>1,347.23</b>
<b>01-5611</b>				
CENTRAL LINCOLN P.U.D.	072424	WTP Utility Services	07/24/2024	1,865.43
<b>Total 01-5611:</b>				<b>1,865.43</b>
<b>01-5629</b>				
GRAINGER	9193537553	ASHCROFT Process Pressure Gauge: 0 to 60 psi, White, 4 1/2 in Dial, Dry Case	07/24/2024	238.62
USA BLUE BOOK	INV00409745	Hach pHDTM Differential pH Electrode w/ CL10 Cell Retainer Ring, Ryton® (91815	07/01/2024	2,158.00
USA BLUE BOOK	INV00409745	Hach GLI pH Digital Differential pH Electrode, PEEK Body, 33' Cable, DPD1P1	07/01/2024	1,574.00
USA BLUE BOOK	INV00409907	Hach pHDTM Differential pH Electrode w/ CL10 Cell Retainer Ring, Ryton® (91815	07/01/2024	1,079.00
USA BLUE BOOK	INV00409907	Hach GLI pH Digital Differential pH Electrode, PEEK Body, 33' Cable, DPD1P1	07/01/2024	3,148.00
USA BLUE BOOK	INV00409907	Estimated Shipping	07/01/2024	32.75
<b>Total 01-5629:</b>				<b>8,230.37</b>
<b>01-5630</b>				
FERGUSON WATERWORKS #30	1272602	LF 1 fip x MTR ANG BV	07/18/2024	343.02
FERGUSON WATERWORKS #30	1272602	stirt lev hdl w/pin	07/18/2024	19.48
OVERHEAD DOOR COMPANY O	25646	5/ 32" Cable	07/23/2024	112.00
OVERHEAD DOOR COMPANY O	25646	Batteries Lithium 3 Volt	07/23/2024	8.00

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount
OVERHEAD DOOR COMPANY O	25646	lift rental	07/23/2024	150.00
OVERHEAD DOOR COMPANY O	25646	commercial service call- Additional Labor	07/23/2024	682.50
OVERHEAD DOOR COMPANY O	25646	drive time	07/23/2024	300.00
Total 01-5630:				1,615.00
<b>01-5631</b>				
PETTY CASH	72924	Toyota of Newport: Tire Repair 2020 Toyota Tundra	07/29/2024	47.94
PETTY CASH	72924	Power: Invoice FOCs268184 underpaid by .23 (tax)	07/29/2024	.23
Total 01-5631:				48.17
<b>01-5634</b>				
ANALYTICAL LABORATORY GR	168547	Coliform, Presence/Absence by SM 9223 B-18 (ALG) 7/10/24	07/13/2024	413.00
ANALYTICAL LABORATORY GR	168547	Pickup Newport WTP	07/13/2024	18.00
GROTH-GATES HEATING, INC.	W28489	7) HP13 20x24x1 filters	07/23/2024	217.00
Total 01-5634:				648.00
Grand Totals:				22,123.48 ✓

Dated: 7-31-24

General Manager: A. Dunbar

Dated: \_\_\_\_\_

Treasurer: \_\_\_\_\_

Report Criteria:

- Detail report.
- Invoices with totals above \$0 included.
- Paid and unpaid invoices included.

**ORIGINAL**

Report Criteria:

- Detail report.
- Invoices with totals above \$0 included.
- Paid and unpaid invoices included.

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount
<b>01-5064</b>				
GLEN MORRIS	177	Stipend	08/08/2024	50.00
KAREN OTTA	177	Stipend	08/08/2024	50.00
PAUL HIGHFILL	177	Stipend	08/08/2024	50.00
ROB MILLS	177	Stipend	08/08/2024	50.00
SAUNDRA MIES-GRANTHAM	177	Stipend	08/08/2024	50.00
Total 01-5064:				250.00
Grand Totals:				250.00

Dated: \_\_\_\_\_

General Manager: \_\_\_\_\_

Dated: \_\_\_\_\_

Treasurer: \_\_\_\_\_

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64

**SEAL ROCK WATER DISTRICT  
MINUTES OF THE  
Regular Board Meeting  
by Zoom Conference Call and In Person  
July 11, 2024**

**Introduction to Remote Meeting:**

SRWD held this meeting through Zoom video conferencing. Due to the limited capacity for in-person meetings, the public was encouraged to attend the meeting electronically.

**Present:**

Commissioners Sandra Mies-Grantham and Karen Otta were present via the Zoom video conference. Present in person in the board room were Commissioner Rob Mills, Board President; Commissioner Glen Morris, Member; Commissioner Paul Highfill, Member; and Attorney Jeff Hollen, Legal Counsel. Staff: Adam Denlinger, General Manager; Joy King-Cortes, Office/Finance Manager; Trish Karlsen, Bookkeeper; and Brad Wynn, Lead Operator.

**Excused Absences:** None

**Call Regular Meeting to Order:**

President Rob Mills called the regular board meeting to order 4:00 p.m., Thursday, July 11, 2024, and introduced the commissioners and staff present in the board room. No member of the public was in attendance in person. The public present on Zoom were Jon French and Patricia French.

**Announcements/Public Comments:**

President Rob Mills asked if there were any announcements. Commissioner Glen Morris had no announcement; Commissioner Karen Otta had no announcement; Commissioner Sandra Mies-Grantham had no announcement; Commissioner Paul Highfill had no announcement; General Manager, Adam Denlinger had no announcement; Joy King-Cortes, Office/Finance Manager announced that PMR No. 46 was added to the meeting packet; Trish Karlsen, Bookkeeper had no announcement; Attorney Jeff Hollen had no announcement; Brad Wynn, Lead Operator had no announcement; and President Rob Mills had no announcement.

**Public Comments:**

President Rob Mills asked the public who attended through Zoom if they had any comments. Patricia French had no comment. Jon French thanked the district for agreeing to host the Protect Oregon Watershed's field trip, which is a tour of the SRWD Water Treatment Plant, for the fall Water Class.

**Commendation Letter:**

President Rob Mills read a letter from Cyreis Schmitt, who expressed his appreciation and commended, Brad Wynn, for his extraordinary customer service, excellent attitude, and assistance in advising him how to find and fix the leak at his property. President Rob Mills thanked Brad on behalf of the Board.

**Consent Calendar:**

Items on the consent calendar are the June/July 2024 Invoices List for approval; the June 13, 2024, Regular Board Meeting minutes; USDA Project Monitoring Report No. 46; and the General Manager's Monthly Report. President Rob Mills asked if each commissioner reviewed the consent calendar items. Commissioner Glen Morris answered YES; Commissioner Sandra Mies-Grantham answered YES; Commissioner Paul Highfill answered YES; Commissioner Karen Otta abstained from voting since she was not present at the June 13 board meeting; and President Rob Mills answered YES. Commissioner Glen Morris motioned to approve the consent calendar. Commissioner Paul Highfill seconded the motion. The motion passed with 4 YES votes, 0 NO votes, and 1 abstained from voting.

**Discussion and Information Items:**

**Water Treatment Plant Update:**

The operation of the water treatment plant is affected by seasonal occurrences which is new to the district since this is only the second summer that the WTP is in full operation. The rising temperature at the intake location increases the organics in the raw water and requires more backwashing of the filter skids and adjustments to disinfectant. The process of treating the warm water from the intake involves heat and the temperature of the treated water in the clear well is a lot higher than during the wintertime. The chlorine levels in SRWD's system are maintained well below the level that EPA allows. Water disinfected with chlorine can be more noticeable as the water temperature rises in the system. To share this information with the customers, staff will include the Public Notice Regarding Water Quality with the July bills.

**Decision Items:**

The district received a Budget Committee Member Application from Dennis P. Claro, who has lived in the district for 3 years and 8 months. He listed his past experiences as US Airforce Intelligence Operations Specialist, Vice President-Commercial Loan Officer, Financial Advisor, and held volunteer positions for the City of Albany, and Albany School

65 District. Commissioner Glen Morris motioned to appoint Dennis P. Claro as an SRWD Budget Committee Member for  
66 three-year terms. Commissioner Paul Highfill seconded the motion. The motion passed unanimously.  
67

68 **Reports, Comments, Correspondence:**

69 **Letter from a Customer:**

70 The district received a letter from a customer, Cyreis Schmitt, who commended Brad Wynn, Operations Lead, for the help  
71 received in locating the leak on his property. The AMI system has made it possible to detect unusual water usage sooner,  
72 which is monitored by Brad daily, and notifies customers of the possibility of a leak on the property.  
73

74 **Job Interviews:**

75 The GM, Adam Denlinger reported to the Board that 2 applicants for the WD I operator and the WD II operator positions  
76 were interviewed. The GM will be scheduling a second interview before making a final hiring decision.  
77

78 **PACWAVE Energy:**

79 Adam Denlinger and Brad Wynn will meet with PacWave Energy staff on July 12 to discuss the water they need to  
80 complete the project. The terrestrial cables will be buried from the shore of Driftwood State Park to about 7 miles out in  
81 the ocean where their platforms are located. There will be three ships out on the ocean with crews working 24 hours a  
82 day, 7 days a week. The significance of this wave energy testing project would impact the area and the future of how  
83 electricity is produced.  
84

85 **Executive Session:**

86 President Rob Mills recessed the regular board meeting at 4:25 p.m. to go into an Executive Session pursuant to ORS  
87 192.660(2)(h); To consult with legal counsel concerning the legal rights and duties of a public body with regard to current  
88 litigation or litigation likely to be filed. Representatives of the news media and designated staff shall be allowed to attend  
89 the executive session. All other members of the audience are asked to leave the room. Representatives of the news  
90 media are specifically directed not to report on any of the deliberations. No final decisions shall be made in the Executive  
91 Session.  
92

93 **Adjourned the Executive Session:**

94 President Rob Mills adjourned the executive session at 4:45 p.m. and reconvened the regular board meeting.  
95 Atty Jeff Hollen discussed with the Board a settlement offer letter he sent to Mr. Cook, the legal counsel of R & G  
96 Excavating, which hasn't been answered. Commissioner Paul Highfill motioned to authorize Adam Denlinger to withdraw  
97 the settlement offer. Commissioner Glen Morris seconded the motion. The motion passed unanimously.  
98

99 **Adjournment:** Commissioner Glen Morris motioned to adjourn the meeting. Commissioner Karen Otta seconded the  
100 motion. President Rob Mills adjourned the meeting at 4:49 p.m.  
101

102 **Next Board Meeting:** August 8, 2024, at 4:00 p.m. Regular Board Meeting.  
103  
104  
105  
106  
107  
108  
109

110 \_\_\_\_\_  
Approved by Board President

\_\_\_\_\_ Date:



### SRWD Monthly Financial Report

Monthly Statistics		Comments				
Total customers	2681	Includes new connects Less Abandoned / Forfeited meter plus 3 SRWD meters (shop X 2 & office) plus 1 Hydrant meter				
New connections	0					
Reinstalls	0					
Abandonments/Forfeitures/Meter Removed	0					
Financial Report		Checking/MM	LGIP/PFMMA	Fund Balances	Comments	
General	\$800,489.70	\$18,957.22	\$819,446.92			
Bond	\$671,152.72	\$0.00	\$671,152.72			
Capital Projects	\$46,291.85	\$18,810.56	\$65,102.41		\$7,421,586 Interim Loan Proceeds	
Revenue Bond	\$2,194.27	\$4.98	\$2,199.25			
Rural Development Reserve	\$0.00	\$109,674.79	\$109,674.79			
Dist. Office/Shop Reserve	\$0.00	\$0.00	\$0.00			
Depreciation/SLARA Reserve	\$0.00	\$296,481.76	\$296,481.76			
SDC (formerly SIP)	\$0.00	\$573,015.04	\$573,015.04		\$1,328,654.24 SDC collections thru 7/31/2024	
Water Source Improvement Rsrv	\$0.00	\$259,799.71	\$259,799.71			
TOTALS	\$1,520,128.54	\$1,276,744.06	\$2,796,872.60			
General Fund Review		Current	FYTD	Budgeted Amount	Comments	
Revenue	\$246,720.92	246,720.92	\$3,595,600.00			
Expenses	\$275,298.46	275,298.46	\$3,595,600.00		Contingency \$100,000; Transfers \$568,050; Total expenses budgeted \$2,937,550.	
Net Gain or (Loss) from Operations	-\$28,577.54	-\$28,577.54				
Water Sales Revenue Comparison		Month	FYTD	Comments		
Water Sales Current Year	\$239,070.94	\$239,070.94		Leak Adjustments & Billings Adjustments (YTD = July - June)		
Actual+In Lieu of Water Sales Less H2O CR	\$244,071.63	\$244,071.63		Billing Adj FYTD \$0.00		
Water Sales Prior Year	\$237,583.78	\$237,583.78		Leak Adj/Write off FYTD \$-.69		
Actual+In Lieu of Water Sales Less H2O CR	\$242,583.78	\$242,583.78		TOTAL FYTD ADJUSTMENTS \$-.69		
Over or (Under)	\$1,487.16	\$1,487.16		Note: Rate increase effective 6/1/2024		
Gallage Comparison		Current	Prior Year	Cost Comparison	Current	Prior Year
Gallons Purchased/Intertie/WTP Treated	10,167,000	11,685,000		Toledo Charges	\$0.00	\$0.00
Gallons Sold (includes accountable loss & intertie)	9,214,145	9,499,512		SRWD Sales	\$239,070.94	\$237,583.78
Variance %	9.37%	18.70%				
Gallons Produced/Treated at WTP	10,167,000		6/11/2024-7/11/2024			
Gallons from Toledo Master Meter	0		Toledo Master Meter Readings read by SRWD field crew			
SRWD Intertie Usage (Purchased)	0		Additional water SRWD used/purchased from Newport Intertie			
Total Water Received/Produced	10,167,000					
City of Newport Intertie Usage (Sold)	0		Gallons sold to City of Newport for water used from the Newport Intertie			
Total Gallons Accounted	9,278,030		From flushing, leaks, CL2 Analyzer, & fire hydrant use			
Total Gallons Unaccounted	888,970					
Water Loss Percentage	8.74%					
Approval To Pay Bills		Payroll 7/12/2024 \$35,705.12		Payroll 7/26/2024 \$29,463.41		
Month of:	July	(after meeting)	August			
	GF A/P	\$25,220.22	GF A/P	\$11,702.23	up to 8/2/2024	
	SDC Fund	\$0.00	SDC Fund	\$0.00		
	Bond/Rev Bond Fund	\$0.00	Bond/Rev Bond Fund	\$0.00		
Orcotech: New server (SLARA)	Depreciation/SLARA	\$16,000.00	Depreciation/SLARA	\$0.00		
	MP - Phase 4 (IFA)	\$0.00	MP - Phase 4 (IFA)	\$0.00		
	MP- Phase 4 (USDA)	\$0.00	MP- Phase 4 (USDA)	\$3,852.50	possibly reimbursable	
	MCWPP	\$0.00	MCWPP	\$0.00		
	MCWCC	\$0.00	MCWCC	\$8,500.00	SRWD portion of MCWCC partner funding	
Monthly Accrual Statistics		Beg. Balance	Accrued	Used/Paid	Balance	
		6/30/2024			7/31/2024	
Office Overtime Hours (2-01)	0.00	0.50	0.50	0.00		
Field Overtime Hours (2-02)	0.00	7.75	7.75	0.00		
PTO (3-01)	2869.13	115.70	127.00	2857.83		
Comp Time (9-01 / 9-02)	102.82	15.00	14.00	103.82		

c:\msoffice\excel\guide21				OR Instruction 1780 Modified OR Guide 21			
<b>PROJECT MONITORING REPORT</b>		<b>1. Type of Request</b>		2. Report No. <b>47</b>		updated 5-11-2020	
		Final <input type="checkbox"/> Partial <input checked="" type="checkbox"/>					
<b>3. REPORT PERIOD</b>		<b>4. BORROWER INFORMATION</b>					
6/30/2024		Name: Seal Rock Water District					
		Address: 1037 NW Grebe Street, Seal Rock, OR 97376					
<b>BUDGET ITEMS</b>				<b>STATUS OF BUDGET</b>			
(All entries under Column "b" must be justified with an attachment) (All entries under column "e" must be documented with an attached invoice)		(a)	(b)	(c)	(d)	(e)	(f)
		<b>Budgeted</b>	<b>Budget</b>	<b>Revised</b>	<b>Previous</b>	<b>This</b>	<b>TOTAL</b>
		<b>Amounts</b>	<b>Change</b>	<b>Budget</b>	<b>Total</b>	<b>Period</b>	<b>(d)+(e)</b>
		(from LOC)					<b>Remaining Balance (c)-(f)</b>
a. Engineering- Design		\$947,000	\$91,000.00	\$1,038,000.00	\$1,038,000.00		\$ 1,038,000.00
b. Engineering- Membrane Pre-purchase		\$35,000	\$2,990.00	\$37,990.00	\$37,990.00		\$ 37,990.00
c. Engineering- Bid Services		\$45,000	-\$3.00	\$44,997.00	\$44,997.00		\$ 44,997.00
d. Engineering-Basic Engineering		\$380,000	\$27,799.86	\$407,799.86	\$407,799.86		\$ 407,799.86
e. Engineering-Project Inspection		\$0	\$795,287.62	\$795,287.62	\$762,168.66	\$ 3,552.50	\$ 765,721.16
f. Engineering-Start Up		\$20,000	\$10,000.00	\$30,000.00	\$30,000.00		\$ 30,000.00
g. Engineering- Software Development		\$0	\$311,841.52	\$311,841.52	\$304,686.39	\$ 300.00	\$ 304,986.39
h. Legal Services/Land Purch. (easements)		\$400,000	\$77,205.02	\$477,205.02	\$477,205.02		\$ 477,205.02
i. Geotechnical Site Investigation		\$51,000	-\$23.00	\$50,977.00	\$50,977.00		\$ 50,977.00
j. Surveying		\$26,000	\$3,962.00	\$29,962.00	\$29,962.00		\$ 29,962.00
k. Permitting		\$170,000	\$48,486.00	\$218,486.00	\$218,486.00		\$ 218,486.00
l. Archeological/Environmental Mitigation		\$40,000	-\$22,954.00	\$17,046.00	\$17,046.00		\$ 17,046.00
m. Bond counsel Services		\$80,000	-\$24,500.00	\$55,500.00	\$55,500.00		\$ 55,500.00
n. Interim Interest & Expense		\$360,000	-\$161,028.78	\$198,971.22	\$198,971.22		\$ 198,971.22
o. Consultant/Admin/Legal-phase 4		\$12,000	\$172,639.01	\$184,639.01	\$184,639.01		\$ 184,639.01
p. Line of Credit Refinance (COT expenses)		\$1,616,500	-\$429,500.00	\$1,187,000.00	\$1,187,000.00		\$ 1,187,000.00
q. Line of Credit Refinance- Interest		\$0	\$22,914.00	\$22,914.00	\$22,914.00		\$ 22,914.00
r. Contingency		\$1,306,000	-\$1,306,000.00	\$0.00	\$0.00		\$ -
s. Additional IFA Services		\$0	\$342,502.74	\$342,502.74	\$342,502.74		\$ 342,502.74
t. Tree Clearing		\$0	\$13,785.00	\$13,785.00	\$13,785.00		\$ 13,785.00
u. Tank Removal		\$0	\$18,752.00	\$18,752.00	\$18,752.00		\$ 18,752.00
v. Software/Licensing			\$28,396.24	\$28,396.24	\$28,396.24		\$ 28,396.24
x. Construction Costs:							
1. Contractor R&G		\$8,966,000	\$1,743,799.43	\$10,709,799.43	\$9,892,318.82		\$ 9,892,318.82
2. Westech- Membrane Purchase		\$922,000	-\$13,389.00	\$908,611.00	\$908,611.00		\$ 908,611.00
3. Other-Electrical at Intake/WTP		\$0	\$202,421.50	\$202,421.50	\$202,421.50		\$ 202,421.50
4. Other-Compaction Test		\$0	\$52,400.50	\$52,400.50	\$52,400.50		\$ 52,400.50
5. Other-98th St. PRV Calibration		\$0	\$5,210.00	\$5,210.00	\$5,210.00		\$ 5,210.00
6. Other- Electrical VFD		\$0	\$12,500.00	\$12,500.00	\$12,500.00		\$ 12,500.00
<b>k. TOTAL PROJECT COST</b>		<b>\$15,376,500</b>	<b>\$2,026,494.66</b>	<b>\$17,402,994.66</b>	<b>\$16,545,239.96</b>	<b>\$3,852.50</b>	<b>\$16,549,092.46</b>
l. Funding Allocation							
1) Business Oregon Loan/Grant		\$3,481,000	\$0	\$3,481,000.00	\$3,481,000.00		\$ 3,481,000.00
2) USDA Rev Bond Loan		\$2,547,000	\$0	\$2,547,000.00	\$2,547,000.00		\$ 2,547,000.00
3) USDA GO Bond Loan		\$6,549,000	\$0	\$6,549,000.00	\$6,549,000.00		\$ 6,549,000.00
4) USDA Grant		\$2,799,500	\$0	\$2,799,500.00	\$2,799,500.00		\$ 2,799,500.00
5) USDA Sub Grant		\$0	\$1,500,000	\$1,500,000.00	\$682,519.39		\$682,519.39
6) Applicant Contribution		\$0	\$523,375.66	\$523,375.66	\$483,101.57	\$3,852.50	\$ 486,954.07
7) Interest			\$3,119.00	\$3,119.00	\$3,119.00		\$ 3,119.00
<b>m. TOTAL PROJECT FUNDING</b>		<b>\$15,376,500</b>	<b>\$2,026,494.66</b>	<b>\$17,402,994.66</b>	<b>\$16,545,239.96</b>	<b>\$ 3,852.50</b>	<b>\$ 16,549,092.46</b>
n. Percentage of Completion					95%	0%	95%
<b>5. CERTIFICATION</b>							
<i>I certify that to the best of my knowledge and belief costs or disbursements shown are in accordance with the terms of the project and that an inspection has been performed and all work is in accordance with the terms of the construction contract.</i>							
<b>BORROWER</b>		Signature of Authorized Certifying Official				Date Submitted:	
						8/09/2024	
		Adam Denlinger, General Manager				Telephone:	
						(541) 563-3529	
<b>6. RURAL DEVELOPMENT ACCEPTANCE</b>							
<i>This form and attachments have been reviewed and are accepted by Rural Utilities Service unless otherwise noted. This review and acceptance by RUS does not attest to the correctness of the amounts, the quantities shown, or that the work has been performed under the terms of the agreements or contracts.</i>							
<b>RURAL UTILITIES SERVICE</b>		Signature of Authorized Certifying Official				Date Submitted:	
		Holly Halligan, Area Loan Specialist				Telephone:	
						(541) 801-2682	
<b>NOTES:</b>							



1037 NW Grebe Street  
 Seal Rock, Oregon 97376  
 Phone: 541.563.3529 – Fax: 541.563.4246  
[www.srwd.org](http://www.srwd.org)



## Seal Rock Water District

General Manager's Report:  
 Board Meeting – August 8, 2024

This report serves as an executive summary for the Board meeting agenda. It provides recommendations for actions to be taken if necessary. Detailed information, staff reports, and supporting materials can be found in the full agenda packet.

### **PHASE-IV BEAVER CREEK SOURCE WATER:**

Water Treatment Plant Operators continue to monitor source water conditions as raw water temperatures increase. Operators are making slight modifications to the treatment process to appropriately manage the increase in temperature through the system. Details of the treatment process are being closely monitored by engineers and WesTech, the district's membrane supplier.

### **SOUTH BAY ROAD EMERGENCY PIPELINE REPAIR PROJECT:**

District crews were successful at completing repairs on July 22<sup>nd</sup> by replacing an 11-foot section of 12-inch C-900 PVC pipe. It is very evident that the roadway is continuing to settle, and you can see by the photographs this is a location of a preexisting repair. District Crews have begun evaluating options for a long-term repair in this area.

This location is the site of repeated repairs on South Bay Road at milepost 4. Due to earth movement in this area, the pipeline is under a tremendous amount of force. District crews responded to a leak in this area due to earth movement in December 2023.



*Seal Rock Water District is an Equal Opportunity Service Provider and Employer.*

Adam Denlinger, General Manager

[adenlinger@srwd.org](mailto:adenlinger@srwd.org)

[www.srwd.org](http://www.srwd.org)

**Other notable activities for the month include:**

- Attended the Mid-Coast Water Conservation Consortium Meeting.
- Hosted monthly staff/safety meeting.
- Attended Mid-Coast Water Planning Partnership Meeting.
- Attended meetings with representatives from Oregon Water Resources Department (OWRD) committee regarding OWRD Fee-Based programs.
- Met with City of Newport and Consultants developing the Newport Source Water Protection Plan.
- Attended SDAO Annual Conference Committee Meeting.
- Conducted applicant screening and hired two Water Distribution Operators.
- Attended the monthly Oregon Water Utility Council (OWUC) meeting.
- Staff worked with Jacobs Engineering in preparation for arbitration.
- Attended additional meetings with OWRD and OWUC regarding water rights process improvements.
- Staff met with consultants preparing this year's Beaver Creek streamflow and temperature monitoring.

**Seal Rock Water District  
South Bay Road Emergency Pipeline Repair  
July 20, 2024**



**South Bay Road July 22, 2024:**

This location is the site of repeated repairs on South Bay Road at milepost 4. Due to earth movement in this area, the pipeline is under a tremendous amount of force. District crews responded to a leak in this area due to earth movement in December 2023.



**12-inch water mainline settled and offset:**



**11-foot replacement pipe, with repair couplings:**

District crews were successful at completing repairs on July 22<sup>nd</sup> by replacing an 11-foot section of 12-inch C-900 PVC pipe. It is very evident that the roadway is continuing to settle, and you can see by the photographs this is a location of a preexisting repair. District Crews have begun evaluating options for long-term repair in this area.

One option includes replacing 1000 LF of the 12-inch pipeline with 6-inch High Density Polyethylene Pipe (HDPE). Because the Toledo pipeline no longer serves as a primary source of water the need to continue maintaining a 12-inch pipeline does not seem necessary. Conversely, the Toledo pump station is not capable of supplying more water than can be delivered by a 6-inch pipeline. Finally, the customer base in this area consists of 24-customer connections, further justifying the need for a 6-inch pipeline to meet demand in this area.

To safely span the distance of the slide area crews would need to install 1000 LF of 6-inch HDPE at an estimated cost of \$50,000. This cost includes the purchase of materials, rental equipment, and spoils removal or hauling. SRWD crews would self-perform this work. Possible funding sources included using contingency or a grant through Lincoln County American Rescue Plan Act (ARPA) grant funding.



**CLEAN WATER STATE REVOLVING FUND  
LOAN AGREEMENT  
No. R82630**

**BETWEEN**

**THE STATE OF OREGON  
ACTING BY AND THROUGH ITS  
DEPARTMENT OF ENVIRONMENTAL QUALITY**

**AND**

**SEAL ROCK WATER DISTRICT**



**TABLE OF CONTENTS**

**ARTICLE 1: THE LOAN - SPECIFIC TERMS .....3**

**ARTICLE 2: GENERAL LOAN PROVISIONS.....4**

**ARTICLE 3: GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS.....6**

**ARTICLE 4: CONDITIONS TO LOAN .....8**

**ARTICLE 5: COVENANTS OF BORROWER.....9**

**ARTICLE 6: DISCLAIMERS BY DEQ; LIMITATIONS ON DEQ'S LIABILITY .....13**

**ARTICLE 7: DEFAULT AND REMEDIES.....14**

**ARTICLE 8: DEFINITIONS .....16**

**ARTICLE 9: MISCELLANEOUS .....17**

**APPENDIX A: REPAYMENT SCHEDULE .....21**

**APPENDIX B: ESTIMATED CWSRF LOAN DISBURSEMENT SCHEDULE .....22**

**APPENDIX C: DBE GOOD FAITH EFFORTS**

**APPENDIX D: APPLICABLE FEDERAL AUTHORITIES AND LAWS ("CROSS-CUTTERS") .....23**

**APPENDIX E: EQUAL EMPLOYMENT OPPORTUNITY.....26**

**APPENDIX F: CERTIFICATION REGARDING LOBBYING.....28**

**THIS LOAN AGREEMENT** is made and entered into as of the date it is fully executed by both parties (and in the case of the State, approved by the Attorney General's Office, if required) and is by and between the **State of Oregon, acting by and through its Department of Environmental Quality ("DEQ")**, and the **Borrower** (as defined below). Unless the context requires otherwise, capitalized terms not defined below shall have the meanings assigned to them by ARTICLE 8 of this Loan Agreement. The reference number for the Loan made pursuant to this Loan Agreement is Loan No. R82630.

DEQ agrees to make, and Borrower agrees to accept, the Loan on the terms and subject to the conditions set forth below.

### ARTICLE 1: THE LOAN - SPECIFIC TERMS

DEQ agrees to make the Loan on the following terms and conditions:

- (A) **BORROWER:** Seal Rock Water District
- (B) **BORROWER'S ADDRESS:** 1037 NW Grebe Street  
Seal Rock, Oregon 97376
- (C) **LOAN AMOUNT:** \$50,000.
- (D) **TYPE AND PURPOSE OF LOAN.** The Loan is a "Revenue Secured Loan" made by DEQ pursuant to OAR Section 340-054-0065(2) for the purpose of financing the Project.
- (E) **PROJECT TITLE:** Seal Rock Water District Drinking Water Protection Plan
- (F) **DESCRIPTION OF THE PROJECT:** The Borrower will develop a drinking water protection plan for the Beaver Creek drinking water source and will engage the community in the process. A planning team will create an inventory of potential contaminant sources to Beaver Creek and will propose to eliminate, minimize, and mitigate identified risks. The project includes public education, critical area protection, watershed restoration, and others recommended by the planning team. An implementation plan will be developed that will guide protection activities over the next 5 years. The implementation plan will include timelines, reasonable parties, partnerships, anticipated deliverables, and funding options. A contingency plan will be developed to address possible interruptions or loss of the districts primary water source. A future plan for water sources will be evaluated.
- (G) **INTEREST RATE:** Zero and 98/100 percent (0.98%) per annum. Calculation of interest is also discussed in ARTICLE 2(E) and in ARTICLE 2(F)(4) of this Agreement.
- (H) **REPAYMENT PERIOD:** Ending no later than (a) Five (5) years after the Completion Date or (b) Five (5) years after the estimated Completion Date set forth in ARTICLE 3(A)(10), whichever date is earlier.

**(I) TERMS OF REPAYMENT:** An interest-only payment six months after the estimated Project Completion Date set forth in ARTICLE 3(A)(10) and thereafter semi-annual payments of principal and interest in accordance with Appendix A and ARTICLE 2(F) of this Agreement.

**(J) PLEDGE:** The Borrower hereby grants to DEQ a security interest in and irrevocably pledges its Net Operating Revenues to secure repayment of and to pay the amounts due under this Loan Agreement. The Net Operating Revenues so pledged and hereafter received by the Borrower shall immediately be subject to the lien of such pledge without physical delivery or further act, and the lien of the pledge shall be superior to all other claims and liens whatsoever, to the fullest extent permitted by ORS 287A.310. The Borrower represents and warrants that the pledge of Net Operating Revenues hereby made by the Borrower complies with, and shall be valid and binding from the date of this Agreement pursuant to, ORS 287A.310. The Borrower covenants with DEQ and any assignee of this Agreement that except as otherwise expressly provided herein, the Borrower shall not issue any other obligations which have a pledge or lien on the Net Operating Revenues superior to or on a parity with the pledge herein granted without the written permission of DEQ. This Loan is a parity obligation with all other CWSRF loans between DEQ and the Borrower

**(K) LOAN FORGIVENESS:** If the Borrower completes the Project, and provided there is no default of any of the terms hereof, DEQ shall forgive one hundred percent (100%) of the Loan or \$50,000, whichever is less (the portion of the Loan that is forgiven being referred to as the "Forgivable Loan"), on the date the first repayment is due hereunder. The amount of the Loan forgiveness will be determined when the Final Loan Amount is calculated.

## ARTICLE 2: GENERAL LOAN PROVISIONS

**(A) AGREEMENT OF DEQ TO LOAN.** DEQ agrees to loan the Borrower an amount not to exceed the Loan Amount, subject to the terms and conditions of this Loan Agreement, but solely from funds available to DEQ in the Water Pollution Control Revolving Fund for its Clean Water State Revolving Fund program. This Loan Agreement is given as evidence of a Loan to the Borrower made by DEQ pursuant to ORS Chapters 190, 287A and 468, and OAR Chapter 340, all as amended from time to time, consistent with the express provisions hereof.

**(B) AVAILABILITY OF FUNDS.** DEQ's obligation to make the Loan described in this Agreement is subject to the availability of funds in the Water Pollution Control Revolving Fund for its CWSRF program, and DEQ shall have no liability to the Borrower or any other party if such funds are not available or are not available in amounts sufficient to fund the entire Loan described herein, as determined by DEQ in the reasonable exercise of its administrative discretion. Funds may not be available ahead of the estimated schedule of disbursements submitted by the Borrower, which is attached as Appendix B. This schedule may be revised from time to time by the parties without the necessity of an amendment by replacing the then current Appendix B with an updated Appendix B which is dated and signed by both parties.

### **(C) DISBURSEMENT OF LOAN PROCEEDS.**

**(1) Project Account(s).** Loan proceeds (as and when disbursed by DEQ to the Borrower) shall be deposited in a Project account(s). The Borrower shall maintain Project account(s) as segregated account(s). Funds in the Project account(s) shall only be

used to pay for Project costs, and all earnings on the Project account(s) shall be credited to the account(s).

(2) Documentation of Expenditures. The Borrower shall provide DEQ with written evidence of work performed upon the Project and Project-related expenses incurred and such receipts for the payment of the same, releases, satisfactions and other signed statements and forms as DEQ may reasonably require. DEQ will disburse funds to pay Project costs only after the Borrower has provided documentation satisfactory to DEQ that such Project costs have been incurred and qualify for reimbursement hereunder.

(3) Adjustments and Corrections. DEQ may at any time review and audit requests for disbursement and make adjustments for, among other things, ineligible expenditures, mathematical errors, work not performed, unacceptable work and other discrepancies. Nothing in this Agreement requires DEQ to pay any amount for work performed or Project-related expenses incurred unless DEQ is satisfied that the claim therefor is reasonable and that the Borrower actually expended such amount for the Project. In addition, DEQ shall not be required to make any disbursement which would cause the total of all disbursements made hereunder (including the requested disbursement) to be greater than the total estimated cost of the work completed at the time of the disbursement, as determined by DEQ.

(D) **AGREEMENT OF BORROWER TO REPAY.** The Borrower agrees to repay all amounts owed on this Loan as described in ARTICLE 1(I) and ARTICLE 2(F) in U.S. Dollars in immediately available funds at the place listed for DEQ in ARTICLE 10(A). In any case, the Borrower agrees to repay all amounts owed on this Loan within the Repayment Period.

(E) **INTEREST.** Interest will accrue at the rate specified in ARTICLE 1(G) from the date that a disbursement hereunder is mailed or delivered to the Borrower or deposited into an account of the Borrower. Interest will accrue using a 365/366 day year and actual days elapsed until the Final Loan Amount is determined and the final repayment schedule is prepared and thereafter on a 360-day year basis and actual days elapsed.

(F) **LOAN REPAYMENT.**

(1) Preliminary Repayment Schedule; Interim Payments. The attached APPENDIX A is a preliminary repayment schedule based on the estimated date of the first disbursement hereunder and Loan Amount. Until the final repayment schedule is effective, the Borrower shall make the payments set forth in the preliminary repayment schedule.

(2) Final Repayment Schedule.  
After the Borrower has submitted its final request for Loan proceeds and DEQ has made all required disbursements hereunder, DEQ will determine the Final Loan Amount and prepare a final payment schedule that provides for level semi-annual installment payments of principal and interest (commencing on the next semi-annual payment date), each in an amount sufficient to pay accrued interest to the date of payment and to pay so much of the principal balance as to fully amortize the then Outstanding Loan Amount over the remaining Repayment Period. This final repayment schedule, when signed and dated by the parties, will replace the preliminary payment schedule as Attachment A without the necessity of an

amendment to this Agreement; provided however that if the final repayment schedule is for a Loan Amount that is less than the Loan Amount set forth in ARTICLE 1(C), the parties must execute a formal amendment to this Agreement.

(3) Crediting of Scheduled Payments. A scheduled payment received before the scheduled repayment date will be applied to interest and principal on the scheduled repayment date, rather than on the day such payment is received. Scheduled payments will be applied first to fees due, if any, and then to interest, according to the applicable repayment schedule, and then to principal.

(4) Crediting of Unscheduled Payments. All unscheduled payments, including any prepayments and partial payments, will be applied first to fees due, if any, and then to accrued unpaid interest (which will be computed as otherwise provided in this Agreement, except that interest from the last payment date will be calculated using a 365/366 day year and actual days elapsed), and then to principal. In the case of a Loan prepayment that does not prepay all of the principal of the Loan, DEQ will determine, in its sole discretion, how it will apply such Loan prepayment to the Outstanding Loan Amount. After a partial payment, DEQ may, in its sole and absolute discretion, reamortize the Outstanding Loan Amount at the same interest rate for the same number of payments to decrease the Loan payment amount; provided, however, that nothing in this Agreement requires DEQ to accept any partial payment or to reamortize the Outstanding Loan Amount if it accepts a partial payment.

(5) Final Payment. The Outstanding Loan Amount, all accrued and unpaid interest, and all unpaid fees and charges due hereunder are due and payable no later than five (5) years after the Completion Date.

**(G) PREPAYMENT.**

(1) Optional Prepayment. The Borrower may prepay any amount owed on this Loan without penalty on any business day upon 24 hours prior written notice. Any prepayment made hereunder will be applied in accordance with ARTICLE 2(F)(4).

(2) Refinancing of Loan by the Borrower. If the Borrower refinances the portion of the Project financed by this Loan or obtains an additional grant or loan that is intended to finance the portion of the Project financed by this Loan, it will prepay the portion of the Loan being refinanced by the additional grant or loan.

(3) Ineligible Uses of the Project. If the Borrower uses the Project for uses that are other than those described in ARTICLE 1(F) (“ineligible uses”), the Borrower shall, upon demand by DEQ, prepay an amount equal to the Outstanding Loan Amount multiplied by the percentage (as determined by DEQ) of ineligible use of the Project. Such prepayment shall be applied against the most remotely maturing principal installments and shall not postpone the due date of any payment(s) hereunder.

**(H) LATE PAYMENT FEE.** The Borrower agrees to pay immediately upon DEQ’s demand a late fee equal to five percent (5%) of any payment (including any loan fee) that is not received by DEQ on or before the tenth (10<sup>th</sup>) calendar day after such payment is due hereunder.

**(I) TERMINATION OF LOAN AGREEMENT.** Upon performance by the Borrower of all of its obligations under this Loan Agreement, including payment in full of the Final Loan Amount, all accrued interest and all fees, charges and other amounts due hereunder, this Loan Agreement will terminate, and DEQ will release its interest in any collateral given as security under this Loan Agreement.

**ARTICLE 3: GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS**

**(A) REPRESENTATIONS AND WARRANTIES OF THE BORROWER.** The Borrower represents and warrants to DEQ that:

**(1)** It is a duly formed and existing municipal corporation of the State of Oregon and has full corporate and other powers to enter into this Loan Agreement.

**(2)** This Agreement has been duly authorized and executed and delivered by an authorized officer of the Borrower and constitutes the legal, valid and binding obligation of the Borrower enforceable in accordance with its terms.

**(3)** All acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Agreement have existed, have happened, and have been performed in due time, form and manner as required by law.

**(4)** Neither the execution of this Loan Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with any of the terms and conditions of this Loan Agreement will violate any provision of law, or any order of any court or other agency of government, or any agreement or other instrument to which the Borrower is now a party or by which the Borrower or any of its properties or assets is bound. Nor will this Loan Agreement be in conflict with, result in a breach of, or constitute a default under, any such agreement or other instrument, or, except as provided hereunder, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower.

**(5)** This Loan Agreement does not create any unconstitutional indebtedness. The Loan Amount together with all of the Borrower's other obligations does not, and will not, exceed any limits prescribed by the Constitution, any of the statutes of the State of Oregon, the Borrower's charter, or any other authority.

**(6)** The Project is a project which the Borrower may undertake pursuant to Oregon law and for which the Borrower is authorized by law to borrow money.

**(7)** The Borrower has full legal right and authority and all necessary licenses and permits required as of the date hereof to own, operate and maintain the Facility, other than licenses and permits relating to the Facility which the Borrower expects to and shall receive in the ordinary course of business, to carry on its activities relating thereto, to execute and deliver this Agreement, to undertake and complete the Project, and to carry out and consummate all transactions contemplated by this Agreement.

(8) The information contained herein which was provided by the Borrower is true and accurate in all respects, and there is no material adverse information relating to the Project or the Loan, known to the Borrower, that has not been disclosed in writing to DEQ.

(9) No litigation exists or has been threatened that would cast doubt on the enforceability of the Borrower's obligations under this Loan Agreement.

(10) The estimated Completion Date of the Project is December 31, 2025. The Borrower agrees to complete the Project by the estimated Completion Date.

(11) The estimated total Costs of the Project are \$65,000

(12) The Borrower is in compliance with all laws, ordinances, and governmental rules and regulations to which it is subject, the failure to comply with which would materially adversely affect the ability of the Borrower to conduct its activities or undertake or complete the Project or the condition (financial or otherwise) of the Borrower or the Project.

**(B) CONTINUING REPRESENTATIONS OF THE BORROWER.** The representations of the Borrower contained herein shall be true on the closing date for the Loan and at all times during the term of this Agreement.

**(C) REPRESENTATIONS AND WARRANTIES OF DEQ.** DEQ represents and warrants that the Director has power under ORS Chapter 468 and OAR Chapter 340, Division 54, to enter into the transactions contemplated by this Loan Agreement and to carry out DEQ's obligations thereunder and that the Director is authorized to execute and deliver this Loan Agreement and to make the Loan as contemplated hereby.

#### ARTICLE 4: CONDITIONS TO LOAN

**(A) CONDITIONS TO CLOSING.** DEQ's obligations hereunder are subject to the condition that on or prior to September 30, 2024, the Borrower will duly execute and deliver to DEQ the following items, each in form and substance satisfactory to DEQ and its counsel:

(1) this Agreement duly executed and delivered by an authorized officer of the Borrower;

(2) a copy of the ordinance, order or resolution of the governing body of the Borrower authorizing the execution and delivery of this Agreement, certified by an authorized officer of the Borrower;

(3) Certification Regarding Lobbying, substantially in the form of APPENDIX F, duly executed and delivered by an authorized officer of the Borrower;

(4) an opinion of the legal counsel to the Borrower to the effect that:

(a) The Borrower has the power and authority to execute and deliver and perform its obligations under this Loan Agreement;

(b) This Loan Agreement has been duly executed and acknowledged where necessary by the Borrower's authorized representative(s), all required approvals have been obtained, and all other necessary actions have been taken, so that this Loan Agreement is valid, binding, and enforceable against the Borrower in accordance with its terms, except as such enforcement is affected by bankruptcy, insolvency, moratorium, or other laws affecting creditors rights generally;

(c) To such counsel's knowledge, this Loan Agreement does not violate any other agreement, statute, court order, or law to which the Borrower is a party or by which it or any of its property or assets is bound; and

(d) The Gross Revenues from which the Net Operating Revenues are derived and that are used as security for the Loan will **not** constitute taxes that are limited by Section 11b, Article XI of the Oregon Constitution; and

(5) such other documents, certificates, opinions and information as DEQ or its counsel may reasonably require .

**(B) CONDITIONS TO DISBURSEMENTS.** Notwithstanding anything in this Agreement to the contrary, DEQ shall have no obligation to make any disbursement to the Borrower under this Agreement unless:

(1) No Event of Default and no event, omission or failure of a condition which would constitute an Event of Default after notice or lapse of time or both has occurred and is continuing;

(2) All of the Borrower's representations and warranties in this Agreement are true and correct on the date of disbursement with the same effect as if made on such date; and

(3) The Borrower submits a disbursement request to DEQ that complies with the requirements of ARTICLE 2(C);

provided, however, DEQ shall be under no obligation to make any disbursement if:

(x) DEQ determines, in the reasonable exercise of its administrative discretion, there is insufficient money available in the CWSRF Program for the Project; or

(y) there has been a change in any applicable state or federal law, statute, rule or regulation so that the Project is no longer eligible for the Loan.

#### **ARTICLE 5: COVENANTS OF BORROWER**

**(A) GENERAL COVENANTS OF THE BORROWER.** Until the Loan is paid in full, the Borrower covenants with DEQ that:

(1) The Borrower shall use the Loan funds only for payment or reimbursement of the Costs of the Project in accordance with this Loan Agreement. The Borrower acknowledges and agrees that the Costs of the Project do NOT include any Lobbying costs or



expenses incurred by Borrower or any person on behalf of Borrower and that Borrower will not request payment or reimbursement for Lobbying costs and expenses.

(2) If the Loan proceeds are insufficient to pay for the Costs of the Project in full, the Borrower shall pay from its own funds and without any right of reimbursement from DEQ all such Costs of the Project in excess of the Loan proceeds.

(3) The Borrower is and will be the owner of the Facility and the Project and shall defend them against the claims and demands of all other persons at any time claiming the same or any interest therein.

(4) The Borrower shall not sell, lease, transfer, or encumber or enter into any management agreement or special use agreement with respect to the Facility or any financial or fixed asset of the utility system that produces the Net Operating Revenues without DEQ's prior written approval, which approval may be withheld for any reason. Upon sale, transfer or encumbrance of the Facility, in whole or in part, to a private person or entity, this Loan shall be immediately due and payable in full.

(5) Concurrent with the execution and delivery of this Loan Agreement, or as soon thereafter as practicable, the Borrower shall take all steps necessary to cause the Project to be completed in a timely manner in accordance with all applicable DEQ requirements.

(6) The Borrower shall take no action that would adversely affect the eligibility of the Project as a CWSRF project or cause a violation of any Loan covenant in this Agreement.

(7) The Borrower shall undertake the Project, request disbursements under this Loan Agreement, and use the Loan proceeds in full compliance with all applicable laws and regulations of the State of Oregon, including but not limited to ORS Chapter 468 and Oregon Administrative Rules Sections 340-054-0005 to 340-054-0065, as they may be amended from time to time, and all applicable federal authorities and laws and regulations of the United States, including but not limited to Title VI of the Clean Water Act as amended by the Water Quality Act of 1987, Public Law 100-4, the federal cross-cutters listed in APPENDIX D the equal employment opportunity provisions in APPENDIX E, and the regulations of the U.S. Environmental Protection Agency, all as they may be amended from time to time. The Borrower shall include in all contracts (unless exempt) with its prime contractor(s) the language set forth in APPENDIX E.

(8) The Borrower shall keep the Facility in good repair and working order at all times and operate the Facility in an efficient and economical manner. The Borrower shall provide the necessary resources for adequate operation and maintenance of the Facility and retain sufficient personnel to operate the Facility.

(9) Interest paid on this Loan Agreement is *not* excludable from gross income under Section 103(a) of the United States Internal Revenue Code of 1986, as amended (the "Code"). However, the DEQ may have funded this Loan with the proceeds of State bonds that bear interest that is excludable from gross income under Section 103(a) of the Code. Section 141 of the Code requires that the State not allow the proceeds of the State

bonds to be used by private entities (including the federal government) in such a way that the State bonds would become "private activity bonds" as defined in Section 141 of the Code. To protect the State bonds the Borrower agrees that it shall not use the Loan proceeds or lease, transfer or otherwise permit the use of the Project by any private person or entity in any way that that would cause this Loan Agreement or the State bonds to be treated as "private activity bonds" under Section 141 of the Code and the regulations promulgated under that Section of the Code.

**(B) DEBT SERVICE COVERAGE REQUIREMENT; WASTEWATER RATE COVENANT; REPORTING.**

(1) Debt Service Coverage Requirement. The Borrower shall maintain wastewater rates and charge fees in connection with the operation of the Facility that are adequate to generate Net Operating Revenues in each fiscal year sufficient to pay (i) all debt service (excluding debt service on the Loan), (ii) all other financial obligations imposed in connection with prior lien obligations of the Borrower, and (iii) an amount equal to the debt service coverage factor of 105% multiplied by the debt service payments due under this Loan Agreement in that fiscal year; provided, however, the amount required under (i) shall include any amounts required by DEQ to provide coverage satisfactory to DEQ on prior lien obligations or new lien obligations the Borrower may incur that DEQ determines are inadequately secured or otherwise may adversely affect the ability of the Borrower to repay the Loan.

(2) Wastewater Rate Adjustments. The Borrower shall review its wastewater rates and fees at least annually. If, in any fiscal year, the Borrower fails to collect fees sufficient to meet the debt service coverage requirement described in ARTICLE 5(B)(1), the Borrower shall promptly adjust its wastewater rates and fees to assure future compliance with such coverage requirement. The Borrower's adjustment of the wastewater rates and fees does **not** constitute a cure of any default by the Borrower of the debt service coverage requirement set forth in ARTICLE 5(B)(1). The Borrower's failure to adjust rates shall not, at the discretion of DEQ, constitute a default if the Borrower transfers to the fund that holds the Net Operating Revenues unencumbered resources in an amount equal to the revenue deficiency to the Facility that produces the Net Operating Revenues.

(3) Reporting Requirement. By December 31 of each year the Borrower shall provide DEQ with a report that demonstrates the Borrower's compliance with the requirements of this ARTICLE 5(B). If the audit report described in ARTICLE 5(F) identifies the Net Operating Revenues and contains a calculation demonstrating the Borrower's satisfaction of the requirements of this ARTICLE 5(B), that audit will satisfy the requirements of this ARTICLE 5(B)(3).

**(C) LOAN RESERVE REQUIREMENT; LOAN RESERVE ACCOUNT.**

(1) Loan Reserve Requirement. Until the Final Loan Amount is calculated, the Loan reserve requirement is \$0. The Borrower shall deposit the Loan reserve requirement amount into the Loan Reserve Account no later than the date the first payment is due hereunder.

(2) Loan Reserve Account. The Borrower shall create a segregated Loan Reserve Account that shall be held in trust for the benefit of DEQ. The Borrower hereby grants to DEQ a security interest in and irrevocably pledges the Loan Reserve Account to pay the amounts due under this Loan Agreement. The funds in Loan Reserve Account so pledged and hereafter received by the Borrower shall immediately be subject to the lien of such pledge without physical delivery or further act, and the lien of the pledge shall be superior to all other claims and liens whatsoever, to the fullest extent permitted by ORS 287A.310. The Borrower represents and warrants that the pledge of the Loan Reserve Account hereby made by the Borrower complies with, and shall be valid and binding from the date of this Agreement pursuant to, ORS 287A.310. The Borrower shall use the funds in the Loan Reserve Account solely to pay amounts due hereunder until the principal, interest, fees, and any other amounts due hereunder have been fully paid.

(3) Additional Deposits. If the balance in the Loan Reserve Account falls below the Loan reserve requirement, the Borrower shall promptly deposit from the first Net Operating Revenues available after payment of the amounts due hereunder (unless the Borrower has previously made such deposit from other money of the Borrower) an amount sufficient to restore the balance up to the Loan reserve requirement.

(D) **INSURANCE.** At its own expense, the Borrower shall, during the term of this Agreement, procure and maintain insurance coverage (including, but not limited to, hazard, flood and general liability insurance) adequate to protect DEQ's interest and in such amounts and against such risks as are usually insurable in connection with similar projects and as is usually carried by entities operating similar facilities. The insurance shall be with an entity which is acceptable to DEQ. The Borrower shall provide evidence of such insurance to DEQ. Self insurance maintained pursuant to a recognized municipal program of self-insurance will satisfy this requirement.

(E) **INDEMNIFICATION.** *The Borrower shall, to the extent permitted by law and the Oregon Constitution, indemnify, save and hold the State, its officers, agents and employees harmless from and (subject to ORS Chapter 180) defend each of them against any and all claims, suits, actions, losses, damages, liabilities, cost and expenses of any nature whatsoever resulting from, arising out of or relating to the acts or omissions of the Borrower or its officers, employees, subcontractors or agents in regard to this Agreement or the Project.*

(F) **THE BORROWER'S FINANCIAL RECORDS; FINANCIAL REPORTING REQUIREMENTS.**

(1) Financial Records. The Borrower shall keep proper and complete books of record and account and maintain all fiscal records related to this Agreement, the Project, and the Facility in accordance with generally accepted accounting principles, generally accepted government accounting standards, the requirements of the Governmental Accounting Standards Board, and state minimum standards for audits of municipal corporations. The Borrower must maintain separate Project accounts in accordance with generally accepted government accounting standards promulgated by the Governmental Accounting Standards Board. The Borrower will permit DEQ and the Oregon Secretary of State and their representatives to inspect its properties, and all work done on the Project, and DEQ, the Oregon Secretary of State and the federal government and their duly authorized representatives shall have access to the Borrower's fiscal records and other books, documents, papers, plans and writings that are pertinent to this

Agreement to perform examinations and audits and make excerpts and transcripts and take copies.

(2) **Record Retention Period.** The Borrower shall retain and keep accessible files and records relating to the Project for at least six (6) years (or such longer period as may be required by applicable law) after Project completion as determined by DEQ and financial files and records until all amounts due under this Loan Agreement are fully repaid, or until the conclusion of any audit, controversy, or litigation arising out of or related to this Agreement, whichever date is later.

(3) **Audit.** Federal enabling legislation and applicable regulations require an audit of each CWSRF Loan. The Borrower agrees to provide to DEQ the following which DEQ agrees to accept as adequate to meet this federal audit requirement.

(a) As soon as possible, but in no event later than six (6) months following the Project Completion Date, a full and complete accounting of the Costs of the Project, including but not limited to documentation to support each cost element and a summary of the Costs of the Project and the sources of funding; and

(b) As soon as possible, but in no event later than nine (9) months after the end of each fiscal year, a copy of the Borrower's annual audit report, if requested by DEQ.

(G) **DBE GOOD FAITH EFFORT.** Pursuant to the good faith efforts described in APPENDIX C, the Borrower shall make a good faith effort to promote fair share awards to Minority Business Enterprises (“MBE”), Women's Business Enterprises (“WBE”), and Small Businesses in Rural Areas (“SBRA”) on all contracts and subcontracts awarded as part of the Project. The Borrower agrees to include, in its contract(s) with its prime contractor(s), the following language, which must not be altered in any way:

“The contractor shall not discriminate on the basis of race, color, national origin or sex in the performance of this contract. The contractor shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the contractor to carry out these requirements is a material breach of this contract which may result in the termination of this contract or other legally available remedies.”

The Borrower also agrees to include, in its contract(s) with its prime contractor(s), language to the following effect (the exact language may vary):

(1) A prime contractor is required to pay its subcontractor(s) no more than 30 days from the prime contractor’s receipt of payment from the Borrower.

(2) The Borrower must be notified in writing by its prime contractor prior to any termination of a DBE subcontractor for convenience by the prime contractor.

(3) If a DBE subcontractor fails to complete work under the subcontract for any reason, the prime contractor must use the Six Good Faith Efforts as described in 40 C.F.R. 35.3145(d) in selecting a replacement subcontractor.

(4) A prime contractor must employ the Six Good Faith Efforts even if the prime contractor has achieved its Fair Share Objectives under Subpart D of 40 C.F.R. Part 33.

(H) **PROJECT ASSURANCES.** Nothing in this Loan Agreement prohibits the Borrower from requiring more assurances, guarantees, indemnity or other contractual requirements from any party performing Project work.

**ARTICLE 6: DISCLAIMERS BY DEQ; LIMITATION OF DEQ'S LIABILITY**

(A) **DISCLAIMER OF ANY WARRANTY.** DEQ EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, REGARDING THE PROJECT, THE QUALITY OF DATA AND INFORMATION USED IN AND THAT BECOME A PART OF THE PROJECT, THE QUALITY OF THE WORK PERFORMED UPON THE PROJECT, OR THE EXTENT AND STAGE OF COMPLETION OF THE PROJECT. No such warranty or guarantee shall be implied by virtue of any review or disbursement made by DEQ. Any review done by DEQ shall be for its sole benefit.

(B) **DISCLAIMER OF LIABILITY OF DEQ.** DEQ EXPRESSLY DISCLAIMS LIABILITY OF ANY KIND OR CHARACTER WHATSOEVER FOR PAYMENT OF ANY COSTS OR EXPENSES INCURRED FOR THE PROJECT OR OTHERWISE IN CONNECTION WITH THE COMPLETION OF THE PROJECT OR CONTRACTS ENTERED INTO BY THE BORROWER WITH THIRD PARTIES FOR THE COMPLETION OF THE PROJECT. All Project costs and expenses, including any indirect costs, shall be the responsibility of and shall be paid by the Borrower.

(C) **NONLIABILITY OF STATE.**

(1) The State and its officers, agents and employees shall not be liable to the Borrower or to any other party for any death, injury, damage, or loss that may result to any person or property by or from any cause whatsoever, arising out of any omissions or errors in the findings, conclusions and recommendations for the Project, any agreements or documents between the Borrower and third parties related to the Project or any activities related to the Project. DEQ shall not be responsible for doing cost comparisons or reviewing or monitoring compliance by the Borrower or any other party with state procurement laws and regulations.

(2) The Borrower hereby expressly releases and discharges DEQ, its officers, agents and employees from all liabilities, obligations and claims arising out of the Project work or under the Loan, subject only to exceptions previously agreed upon in writing by the parties.

(3) Any findings by DEQ concerning the Project and any review or analyses of the Project by DEQ are for determining eligibility for the Loan and disbursement of Loan proceeds only. Such findings do not constitute an endorsement of the findings, conclusions

and recommendations of the Project or its components or an assurance of any kind for any other purpose.

(4) Review and approval of facilities plans, design drawings and specifications or other documents by or for DEQ does not relieve the Borrower of its responsibility to properly plan, design, build and effectively operate and maintain the Facility as required by law, regulations, permits and good management practices.

#### **ARTICLE 7: DEFAULT AND REMEDIES**

(A) **EVENTS OF DEFAULT.** The occurrence of one or more of the following events constitutes an Event of Default, whether occurring voluntarily or involuntarily, by operation of law or pursuant to any order of any court or governmental agency:

(1) The Borrower fails to make any Loan payment within thirty (30) days after the payment is scheduled to be made according to the repayment schedule;

(2) Any representation or warranty made by the Borrower hereunder was untrue in any material respect as of the date it was made;

(3) The Borrower becomes insolvent or admits in writing an inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee or receiver for the Borrower or a substantial part of its property; or in the absence of such application, consent, or acquiescence, a trustee or receiver is appointed for the Borrower or a substantial part of its property and is not discharged within sixty (60) days; or any bankruptcy, reorganization, debt arrangement or moratorium or any dissolution or liquidation proceeding is instituted by or against the Borrower and, if instituted against the Borrower, is consented to or acquiesced in by the Borrower or is not dismissed within twenty (20) days;

(4) As a result of any changes in the United States Constitution or the Oregon Constitution or as a result of any legislative, judicial, or administrative action, any part of this Loan Agreement becomes void, unenforceable or impossible to perform in accordance with the intent and purposes of the parties hereto or is declared unlawful;

(5) The Borrower defaults in the performance or observance of any covenants or agreements contained in any loan documents between itself and any lender or lenders, and the default remains uncured upon the expiration of any cure period provided by said loan documents; or

(6) The Borrower fails to cure non-compliance in any material respect with any other covenant, condition, or agreement of the Borrower hereunder, other than as set forth in (1) through (5) above within a period of thirty (30) days after DEQ provides notice of the noncompliance.

(B) **REMEDIES.** If DEQ determines that an Event of Default has occurred, DEQ may, without further notice:

- (1) Declare the Outstanding Loan Amount plus any unpaid accrued interest, fees and any other amounts due hereunder immediately due and payable;
- (2) Cease making disbursement of Loan proceeds or make some disbursements of Loan proceeds and withhold or refuse to make other disbursements;
- (3) Appoint a receiver, at the Borrower's expense, to operate the Facility that produces the pledged revenues and collect the Gross Revenues
- (4) Set and collect utility rates and charges;
- (5) Pay, compromise or settle any liens on the Facility or the Project or pay other sums required to be paid by the Borrower in connection with the Project, at DEQ's discretion, using the Loan proceeds and such additional money as may be required. If DEQ pays any encumbrance, lien, claim, or demand, it shall be subrogated, to the extent of the amount of such payment, to all the rights, powers, privileges, and remedies of the holder of the encumbrance, lien, claim, or demand, as the case may be. Any such subrogation rights shall be additional cumulative security for the amounts due under this Loan Agreement;
- (6) Direct the State Treasurer to withhold any amounts otherwise due to the Borrower from the State of Oregon and, to the extent permitted by law, direct that such funds be applied to the amounts due DEQ under this Loan Agreement and be deposited into the CWSRF;
- (7) Pursue any other legal or equitable remedy it may have.

#### ARTICLE 8: DEFINITIONS

(A) **"BORROWER"** means the public agency (as defined in ORS 468.423(2)) shown as the "Borrower" in Article 1(A) of this Agreement.

(B) **"COMPLETION DATE"** means the date on which the Project is completed, and, if required, approved by DEQ.

(C) **"COSTS OF THE PROJECT"** means expenditures approved by DEQ that are necessary to carry out the Project in compliance with DEQ's requirements and may include but are not limited to the following items:

- (1) The costs and expenses that the Borrower is required to pay under the terms of any contract for the performance of work related to the Project;
- (2) The costs of insurance of all kinds that may be required or necessary during the course of completion of the Project;
- (3) The legal, financing and administrative costs of obtaining the Loan and completing the Project; and
- (4) Any other costs approved in writing by DEQ.

(D) **“CWSRF PROGRAM” or “CWSRF”** means the Clean Water State Revolving Fund Loan Program, a loan program administered by DEQ under ORS 468.423 to 468.440.

(E) **“DEQ”** means the Oregon Department of Environmental Quality.

(F) **“DIRECTOR”** means the Director of DEQ or the Director's authorized representative.

(G) **“FACILITY”** means all property owned or used by the Borrower to provide wastewater collection, treatment and disposal services.

(H) **“FINAL LOAN AMOUNT”** means the total of all Loan proceeds disbursed to the Borrower under the Loan Agreement, determined on the date on which the Borrower indicates that no further Loan funds will be requested, all eligible expenditures have been reimbursed from the Loan proceeds, or all Loan proceeds have been disbursed hereunder, whichever occurs first.

(I) **“GROSS REVENUES”** means all fees and charges resulting from operation of the Facility and any interest earnings thereon; provided however, Gross Revenues does not include: the proceeds of any grants; the proceeds of any borrowings for capital improvements; the proceeds of any liability insurance; or the proceeds of any casualty insurance which the Borrower intends to and does utilize for repair or replacement of the Facility or a part thereof.

(J) **“LOAN”** means the loan made pursuant to this Loan Agreement.

(K) **“LOAN AGREEMENT” or “AGREEMENT”** means this loan agreement and its exhibits, appendices, schedules and attachments (which are by this reference incorporated herein), and any amendments thereto.

(L) **“LOAN AMOUNT”** means the maximum amount DEQ agrees to loan the Borrower hereunder.

(M) **“LOAN RESERVE ACCOUNT”** means the account described in ARTICLE 5(C)(2).

(N) **“LOBBYING”** means influencing or attempting to influence a member, officer or employee of a governmental agency or legislature in connection with the awarding of a government contract, the making of a government grant or loan or the entering into of a cooperative agreement with such governmental entity or the extension, continuation, renewal, amendment or modification of any of the above.

(O) **“NET OPERATING REVENUES”** means the Gross Revenues less the Operating Expenses for the Facility.

(P) **“OPERATING EXPENSES”** means all direct and indirect expenses incurred for operation, maintenance and repair of the Facility, including but is not limited to administrative expenses, legal, financial and accounting expenses, insurance premiums, claims (to the extent that monies are not available from insurance proceeds), taxes, engineering expenses relating to operation and maintenance, payments and reserves for pension, retirement, health, hospitalization, and sick leave benefits, and any other similar expenses to be paid to the extent properly and directly attributable to operations of the Facility. Operating expenses include an appropriate amount for reserves for repair



and replacement of the Facility based on the expected life of the collection, treatment and disposal facilities.

(Q) “**OUTSTANDING LOAN AMOUNT**” means, as of any date, the sum of all disbursements to the Borrower hereunder less the sum of all Loan principal payments received by DEQ.

(R) “**PROJECT**” means the activities or documents described in ARTICLE 1(E) and (F).

(S) “**REPAYMENT PERIOD**” means the repayment period ending on the date specified in ARTICLE 1(H) which date shall not in any event be later than twenty (20) years after the Completion Date.

(T) “**STATE**” means the State of Oregon.

#### ARTICLE 9: MISCELLANEOUS

(A) **NOTICES.** All notices, payments, statements, demands, requests or other communications under this Loan Agreement by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered by personal delivery, by certified mail, return receipt requested, or by facsimile transmission, and, if to the Borrower, delivered, addressed or transmitted to the location or number listed in ARTICLE 1(B), and if to DEQ, delivered, addressed or transmitted to:

Clean Water State Revolving Fund Loan Program  
Water Quality Division  
Department of Environmental Quality  
700 NE Multnomah Street  
Portland, Oregon 97232  
Fax (503) 229-6037

or to such other addresses or numbers as the parties may from time to time designate. Any notice or other communication so addressed and mailed shall be deemed to be given five (5) days after mailing. Any notice or other communication delivered by facsimile shall be deemed to be given when receipt of the transmission is generated by the transmitting machine. To be effective against DEQ, such facsimile transmission must be confirmed by telephone notice to DEQ’s CWSRF Program Coordinator. Any notice or other communication by personal delivery shall be deemed to be given when actually delivered.

(B) **WAIVERS AND RESERVATION OF RIGHTS.**

(1) DEQ’s waiver of any breach by the Borrower of any term, covenant or condition of this Loan Agreement shall not operate as a waiver of any subsequent breach of the same or breach of any other term, covenant, or condition of this Loan Agreement. DEQ may pursue any of its remedies hereunder concurrently or consecutively without being deemed to have waived its right to pursue any other remedy.

(2) Nothing in this Loan Agreement affects DEQ's right to take remedial action, including, but not limited to, administrative enforcement action and action for breach of

contract against the Borrower, if the Borrower fails to carry out its obligations under this Loan Agreement.

**(C) TIME IS OF THE ESSENCE.** The Borrower agrees that time is of the essence under this Loan Agreement.

**(D) RELATIONSHIP OF PARTIES.** The parties agree and acknowledge that their relationship is that of independent contracting parties, and neither party hereto shall be deemed an agent, partner, joint venturer or related entity of the other by reason of this Loan Agreement.

**(E) NO THIRD PARTY BENEFICIARIES.** DEQ and the Borrower are the only parties to this Loan Agreement and are the only parties entitled to enforce the terms of this Loan Agreement. Nothing in this Loan Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right not held by or made generally available to the public, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Loan Agreement. Any inspections, audits, reports or other assurances done or obtained, or approvals or consents given, by DEQ are for its benefit only for the purposes of administering this Loan and the CWSRF Program.

**(F) ASSIGNMENT.** DEQ shall have the right to transfer the Loan or any part thereof, or assign any or all of its rights under this Loan Agreement, at any time after execution of this Loan Agreement upon written notice to the Borrower. Provisions of this Loan Agreement shall inure to the benefit of DEQ's successors and assigns. This Loan Agreement or any interest therein may be assigned or transferred by the Borrower only with DEQ's prior written approval (which consent may be withheld for any reason), and any assignment or transfer by the Borrower in contravention of this ARTICLE 10(F) shall be null and void.

**(G) DEQ NOT REQUIRED TO ACT.** Nothing contained in this Loan Agreement requires DEQ to incur any expense or to take any action hereunder in regards to the Project.

**(H) FURTHER ASSURANCES.** The Borrower and DEQ agree to execute and deliver any written instruments necessary to carry out any agreement, term, condition or assurance in this Loan Agreement whenever a party makes a reasonable request to the other party for such instruments.

**(I) VALIDITY AND SEVERABILITY; SURVIVAL.** If any part, term, or provision of this Loan Agreement or of any other Loan document shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by either party, the validity of the remaining portions, terms and provisions shall not be affected, and all such remaining portions, terms and provisions shall remain in full force and effect. Any provision of this Agreement which by its nature or terms is intended to survive termination, including but not limited to ARTICLE 5(E), shall survive termination of this Agreement.

**(J) NO CONSTRUCTION AGAINST DRAFTER.** Both parties acknowledge that they are each represented by and have sought the advice of counsel in connection with this Loan Agreement and the transactions contemplated hereby and have read and understand the terms of this Loan Agreement. The terms of this Loan Agreement shall not be construed against either party as the drafter hereof.

**(K) HEADINGS.** All headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Loan Agreement.

**(L) ATTORNEYS' FEES AND EXPENSES.** In any action or suit to enforce any right or remedy under this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs, to the extent permitted by law.

**(M) CHOICE OF LAW; DESIGNATION OF FORUM; FEDERAL FORUM.**

**(1)** The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

**(2)** Any party bringing a legal action or proceeding against any other party arising out of or relating to this Agreement shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

**(3)** Notwithstanding ARTICLE 9(M)(2), if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This ARTICLE 9(M)(3) applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This ARTICLE 9(M)(3) is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

**(N) COUNTERPARTS.** This Loan Agreement may be executed in any number of counterparts, each of which is deemed to be an original, but all together constitute but one and the same instrument.

**(O) ENTIRE AGREEMENT; AMENDMENTS.** This Loan Agreement, including all appendices and attachments that are by this reference incorporated herein, constitutes the entire agreement between the Borrower and DEQ on the subject matter hereof, and it shall be binding on the parties thereto when executed by all the parties and when all approvals required to be obtained by DEQ have been obtained. This Loan Agreement, including all related Loan documents and instruments, may not be amended, changed, modified, or altered without the written consent of the parties.

**BORROWER: SEAL ROCK WATER DISTRICT**

By: \_\_\_\_\_ Date \_\_\_\_\_  
Authorized Officer

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**STATE OF OREGON ACTING BY AND THROUGH ITS  
DEPARTMENT OF ENVIRONMENTAL QUALITY**

By: \_\_\_\_\_ Date \_\_\_\_\_  
Jennifer Wigal, Water Quality Administrator

**APPENDIX A: REPAYMENT SCHEDULE**

OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY  
**STATE REVOLVING FUND LOAN PROGRAM**

**REPAYMENT SCHEDULE**

<b>BORROWER:</b>	<b>Seal Rock Water District</b>	<b>ANNUAL INTEREST RATE:</b>	0.98%
<b>SRF LOAN NO.:</b>	<b>R82630</b>	<b>TERM IN YEARS:</b>	5
<b>LOAN AMOUNT:</b>	\$ 50,000	<b>PAYMENT AMOUNT:</b>	\$ 0.00
		<b>ANNUAL FEE:</b>	0.0%

Due Date	Pmt#	PAYMENT				Principal Balance
		Principal	Interest	Fees	Total	
			PF Applied			0
6/1/2026	1	0	0	0	0	0
12/1/2026	2	0	0	0	0	0
6/1/2027	3	0	0	0	0	0
12/1/2027	4	0	0	0	0	0
6/1/2028	5	0	0	0	0	0
12/1/2028	6	0	0	0	0	0
6/1/2029	7	0	0	0	0	0
12/1/2029	8	0	0	0	0	0
6/1/2030	9	0	0	0	0	0
12/1/2030	10	0	0	0	0	0
<b>TOTALS</b>		0	0	0	0	0
<b>REQUIRED LOAN RESERVE:</b>		\$	-			

**APPENDIX B: ESTIMATED CWSRF LOAN DISBURSEMENT SCHEDULE**

Loan funds are expected to be available based on the following Project schedule:

Borrower:	Seal Rock Water District						
Loan #:	R82630						
Int. Rate:	0.98%						
1st Pmt:	6/1/2026						
Date Calculated:					7/29/2024		
							0
<b>Disb.</b>	<b>Paid/</b>	<b>Disb.</b>	<b>PF</b>	<b>Net Disb.</b>	<b>Disb.</b>	<b>Total #</b>	<b>Interest</b>
<b>Number</b>	<b>Estimate</b>	<b>Amount</b>	<b>Applied</b>	<b>Amount</b>	<b>Date</b>	<b>of Days</b>	<b>Amount</b>
1	Estimate	12,500	12,500	0	10/1/2024	608	0.00
2	Estimate	12,500	12,500	0	1/1/2025	516	0.00
3	Estimate	12,500	12,500	0	4/1/2025	426	0.00
4	Estimate	12,500	12,500	0	7/1/2025	335	0.00
Total		50,000	50,000	0			<b>0.00</b>

**APPENDIX C: DBE GOOD FAITH EFFORTS**

At a minimum the Borrower or its prime contractor must take six affirmative steps (which apply to any procurement of construction, supplies, equipment or services) to demonstrate good faith effort to utilize minority (MBE), women-owned (WBE) and small (SBE) businesses. The six steps are:

- 1) To include qualified small, minority and women's businesses on solicitation lists;
- 2) To assure that small, minority, women's businesses are solicited whenever they are potential sources;
- 3) To divide total requirements, whenever economically feasible, into smaller tasks or quantities to permit maximum participation by small, minority or women's businesses;
- 4) To establish delivery schedules whenever the requirements of the work permit, which will encourage participation by small, minority and women's businesses;
- 5) To use the services and assistance of the Small Business Administration (<http://pro-net.sba.gov>) and the Office of Minority Business Enterprise of the U.S. Department of Commerce (<http://www.mbda.gov>) to identify appropriate small, minority and women businesses; and
- 6) To require subcontractors to take all of the affirmative action steps described above and set forth in 40 CFR 35.3145(d) in any contract awards or procurements.

The Borrower shall, and shall cause its contractors to, document compliance with the above requirements on forms found at Tab 6 of the Manual for Construction Projects.

Additional resources available to recipients and contractors include the following:

EPA Office of Small and Disadvantaged Business Utilization:  
Phone: 206 – 553 – 2931  
Web Site: [www.epa.gov/osdbu](http://www.epa.gov/osdbu)

Oregon Office of Minority, Women and Emerging Small Business  
350 Winter Street N.E., Room 300  
Salem, OR 97301-3878

Phone: 503 – 947 – 7922  
Web Site: [www.cbs.state.or.us/omwesb](http://www.cbs.state.or.us/omwesb)

---

**APPENDIX D: APPLICABLE FEDERAL AUTHORITIES AND LAWS (“CROSS-CUTTERS”)**

**SOCIAL LEGISLATION:**

The Age Discrimination Act of 1975, Pub. L. No. 94-135, 89 Stat. 713, 42 U.S.C. §6102 (1994).

Civil Rights Act of 1964, Pub. L. No. 88-352, 78 Stat. 252, 42 U.S.C. §2000d (1988).

Section 13 of PL 92-500; Prohibition against Sex Discrimination under the Federal Water Pollution Control Act.

Rehabilitation Act of 1973, Pub. L. No. 93-1123, 87 Stat. 355, 29 U.S.C. §794 (1988), including Executive Orders 11914 and 11250).



**APPENDIX E**  
**EQUAL EMPLOYMENT OPPORTUNITY**

During the performance of this contract the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
- (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- (3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- (6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: *Provided, however*, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

**APPENDIX F: CERTIFICATION REGARDING LOBBYING  
(Contracts in Excess of \$100,000.00)**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Borrower, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signed \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Recipient \_\_\_\_\_



# Oregon

Tina Kotek, Governor

## Water Resources Department

North Mall Office Building

725 Summer St NE, Suite A

Salem, OR 97301

Phone 503 986-0900

Fax 503 986-0904

[www.oregon.gov/owrd](http://www.oregon.gov/owrd)

July 26, 2024

VIA EMAIL AND USPS

Seal Rock Water District  
Attn: Adam Denlinger  
1037 NW Grebe Street  
Seal Rock, OR 97376  
[adenlinger@srwd.org](mailto:adenlinger@srwd.org)

Subject: Water Management and Conservation Plan

Dear Adam:

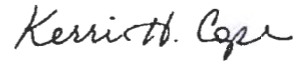
Enclosed; please find the final order approving your Water Management and Conservation Plan and specifying that the diversion of water under **Permit S-40277** remains authorized at no more than **0.96 cfs** (*out of total permitted 2.65 cfs*).

The attached final order specifies that the Seal Rock Water District's (District) plan shall remain in effect until **July 26, 2034**. Because the District's water loss was above ten (10) percent they are also required to submit an analysis identifying potential water loss factors and proposed corrective actions by **July 26, 2026**. Additionally, the District is required to submit a progress report to the Department by **July 26, 2029**, detailing progress made toward the implementation of conservation benchmarks scheduled in the plan. Finally, the District must submit an updated Water Management and Conservation Plan to the Department by **January 26, 2024**.

**NOTE:** *The deadline established in the attached final order for submittal of an updated water management and conservation plan (consistent with OAR Chapter 690, Division 086) shall not relieve the Seal Rock Water District from any existing or future requirement(s) for submittal of a water management and conservation plan at an earlier date as established through other final orders of the Department.*

We appreciate your cooperation in this effort. Please do not hesitate to contact me at 503-979-9544 or [Kerri.H.Cope@water.oregon.gov](mailto:Kerri.H.Cope@water.oregon.gov) if you have any questions.

Sincerely,



Kerri Cope  
Water Management and Conservation Analyst  
Water Right Services Division

Enclosure

cc: WMCP File  
Application #S-50094 (Permit #S-40277)  
District #1 Watermaster Nikki Hendricks (via email)  
Tim Henkle, GSI via email (via email at [thenkle@gsiws.com](mailto:thenkle@gsiws.com))

**BEFORE THE WATER RESOURCES DEPARTMENT  
OF THE  
STATE OF OREGON**

In the Matter of the Proposed Water	)	FINAL ORDER APPROVING A WATER
Management and Conservation Plan for	)	MANAGEMENT AND CONSERVATION
Seal Rock Water District, Lincoln County	)	PLAN

**Authority**

OAR Chapter 690, Division 086, establishes the process and criteria for approving water management and conservation plans required under the conditions of permits, permit extensions and other orders of the Department.

**Findings of Fact**

1. The Seal Rock Water District submitted a Water Management and Conservation Plan (plan) and the required statutory fee for review of the plan to the Water Resources Department (Department) on December 18, 2023. The plan was required by a condition set forth under the City's previously approved plan (Sp. Or. Vol. 91, Pgs. 937-939) issued on March 14, 2014.
2. The Department published notice of receipt of the plan on December 26, 2023, as required under OAR Chapter 690, Division 086. No comments were received.
3. The Department provided written comments on the plan to the City on February 9, 2024. In response, the City submitted a revised plan on May 30, 2024.
4. The Department reviewed the revised plan and finds that the revised plan is consistent with the relevant requirements under OAR Chapter 690, Division 086.

**Conclusion of Law**

The Water Management and Conservation Plan submitted by the Seal Rock Water District is consistent with the criteria in OAR Chapter 690, Division 086.

This is a final order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60-day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080, you may petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

**Now, therefore, it is ORDERED:**

**Duration of Plan Approval:**

1. The Seal Rock Water District Water Management and Conservation Plan is approved and shall remain in effect until **July 26, 2034**, unless this approval is rescinded pursuant to OAR 690-086-0920.

**Development Limitation:**

2. The limitation of the diversion of water under **Permit S-40277** established in the Final Order approving the Extension of Time for **Permit S-40277** (*issued on February 23, 2005*) which was modified to allow diversion of up to 1.82 cfs by the WMCP final order (*issued March 14, 2024*) is now rescinded due to non-use of the additional authorized diversion above the initial diversion limit of 0.96 cfs imposed by the extension of time. Subject to other limitations or conditions of the permit, therefore, the Seal Rock Water District remains authorized to divert only up to **0.96 cfs** (*out of the total permitted 2.65 cfs*) of water under **Permit S-40277**.
3. The Seal Rock Water District shall submit an updated plan meeting the requirements of OAR Chapter 690, Division 086 (effective December 23, 2018) no later than **January 26, 2034**.

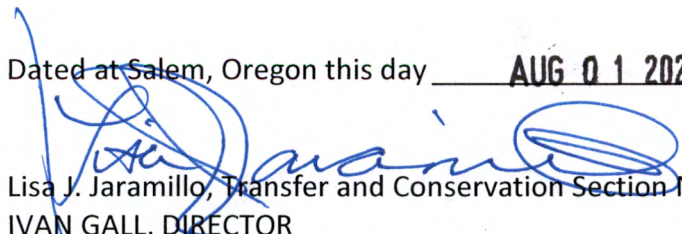
**Progress Report Schedule:**

4. The Seal Rock Water District shall submit an analysis of potential water loss factors and proposed corrective actions as required under OAR 690-086-0150(4) by **July 26, 2026**.
5. The Seal Rock Water District shall submit a progress report containing the information required under OAR 690-086-0120(4) by **July 26, 2029**.

**Other Requirements for Plan Submittal:**

6. The deadline established herein for the submittal of an updated Water Management and Conservation Plan (consistent with OAR Chapter 690, Division 086) shall not relieve the Seal Rock Water District from any existing or future requirement(s) for submittal of a Water Management and Conservation Plan at an earlier date as established through other final orders of the Department.

Dated at Salem, Oregon this day **AUG 01 2024**

  
Lisa J. Jaramillo, Transfer and Conservation Section Manager for  
IVAN GALL, DIRECTOR  
Oregon Water Resources

Mailing date: **AUG 02 2024**

**Notice Regarding Servicemembers:** Active-duty servicemembers have a right to stay proceedings under the federal Servicemembers Civil Relief Act. 50 U.S.C. App. §§501-597b. For more information contact the Oregon State Bar at 800-452-8260, the Oregon Military Department at 971-355-4127, or the nearest United States Armed Forces Legal Assistance Office through <http://legalassistance.law.af.mil>.