

## Council Packet

City of Halsey  
Regular Council Meeting  
City Hall – Community Center  
Remote Attendance via Zoom  
100 W. Halsey Street

Tuesday November 14<sup>th</sup>, 2023  
7:00 PM

#### D. COUNCIL MINUTES

Council Minutes		
Council Action:	<b><i>MOTION</i></b>	<b>October 10, 2023</b>

**Issue Statement:** Council is asked to review and approve the minutes from the Council Meeting on August 8, 2023.

➤ **Possible Motion:** I move that the Governing Body of the City of Halsey approve September 12th City Council minutes as submitted.

- **Council Options**

1. Remove an item for separate consideration & decision
2. Approve as recommended
3. Approve with amendments
4. Provide further direction to staff
5. Deny request

## REGULAR CITY COUNCIL MEETING

October 14, 2023, 7:00 p.m. at City Hall, 100 W Halsey St., Halsey, OR

*\*This hybrid meeting was also conducted as a teleconference, with external participation available via phone or video link.*

### MEETING CALLED TO ORDER

Meeting called to order at 7:02 p.m.

### ROLL CALL

Present: Councilor Stacy Strauss, Council President Michelle Isom, Councilor Ken Lorensen, Councilor Jeremy Romer, Mayor Jerry Lachenbruch, Councilor Gabriel Flores, Councilor Scott LaCoste

Absent:

Staff Present: Interim City Administrator Wes Hare, Municipal Clerk Amber Murray, Librarian Abi Vinson, Assistant City Recorder Larissa Gangle

Guests: Sergeant Steve Frambes-LCSO, Anne Sunday, Jerry Gillson, Ryan Geider, Greyson Johnson, Jonathan Shannon, Joselyn Morales, Greg Stell, James Shannon, Bristol Wilcox, Karly Geider, Katt Janes, Cooper Bretburner, TJ Gillson

Remote

Participants: Public Works Lead Andy Ridinger

### PLEDGE OF ALLEGIANCE

### COUNCIL MINUTES

Council was asked to review and approve the minutes from the September 12, 2023 Council Meeting.

**Motion:** I move that the Governing Body of the City of Halsey approve the September 12, 2023 City Council Minutes as submitted

**Motion by:** Councilor Ken Lorensen, Seconded by Councilor Michelle Isom

**Vote:**

**Ayes:** Unanimous

**Motion Carries**

### FINANCIAL REPORTS

The October Financial Reports are not yet available. All bank accounts are balanced, and reports will be complete in the next few days and submitted to Council for approval during the November Council Meeting.

## AGENDA ADJUSTMENTS

*There were no agenda adjustments*

## DELEGATIONS

### Linn County Sheriff's Office: Sergeant Frambes

There were three traffic citations, fourteen traffic warnings, one arrest, and forty-two complaints made during the month of September 2023. Sergeant Frambes provided the following overview of the September Sheriff's Report.

- The arrest reported was related to domestic violence.
- Diamond K Sales was cited for parking violations regarding trailers.
- There was an attempted break in at 7 Star Convenience Store. The suspect vehicle is believed to be associated with the break in on the same date at Napa Auto Parts in the neighboring town of Brownsville, as well as several other crime locations.
- Self-initiated calls made up half of September's calls.
- Parking in the right-of-way areas around town was discussed. Halsey Municipal Code currently states that vehicles parked on the right-of-way must be in compliance with State Motor Vehicle Laws, as well as be driven every 72 hours. Sergeant Frambes proposed that Halsey amend the parking ordinance to coincide with the laws of nearby cities for continuity, which would impose a 48-hour parking rule, a requirement that the vehicle must be parked adjacent to the address of which it is registered to, and can only be parked in said location without being moved for a period of fourteen days (if properly registered). Sergeant Frambes stated that these changes would streamline the enforcement process for the Linn County Sheriff's Office.

### Community Services Consortium: Peggy McGuire

Mrs. McGuire is the Director of the Community Services Consortium. She described the process that CSC undergoes to apply for funding and spoke about the needs for a tri-county continuum of care that would include Linn, Benton, and Lincoln Counties and would include registering with the United States Department of Housing and Urban Development in 2024. She requested that the Council consider approving a resolution to support this need.

## CITIZEN COMMENTS

*There were no citizen comments.*

## REPORTS TO COUNCIL

### Interim City Administrator: Wes Hare



- League or Oregon Cities Conference-The League of Oregon Cities Conference will be on October 12-14. Mayor Lachenbruch, Councilor Flores, and the City Administrator will be attending.
- Council Candidate Update- There are multiple applications for the upcoming City Council Position to be vacated by Ken Lorensen, however Councilor Lorensen stated that he plans to continue his role through December 2023. There is no vacancy at this time.
- Council Goal Setting Session- The Council Goal Setting Session is scheduled for Saturday October 14<sup>th</sup> at 8:30am.
- City Hall Roof- The roof at City Hall has been completed. Mayor Lachenbruch asked if there was any rot discovered during the project. Wes stated that there was indeed rot discovered and that forty-five panels of plywood were replaced.

Public Works: Andy Ridinger

- Well Update-Public Works held a meeting with Civil West Engineering and an electrician regarding plans for the new well control panel, pump variable frequency drive, and telemetry planning.
- Water Treatment Plant Backwash Control Board- The twenty-five year old backwash control board at the Water Treatment Plant stopped functioning. A replacement has been ordered, along with a valve solenoid.
- Water Service Repair- A water service repair associated with the highway project was conducted at West H and West 2<sup>nd</sup> Streets.
- Blue Heron Pump Station- Public Works investigated some issues at the Blue Heron Sub-division Pump Station. Pump #2 had a seal fail and was taken in for repair. There were also issues with a portion of the control floats not functioning properly. Replacements have arrived and will be installed this week.
- Park Rock Bubbler- The rock bubbler in the south-west corner of the Halsey Memorial Park is now repaired, completed with new rock, water reservoir, pump, and water lines.
- Vehicle Service/Repairs- The brake diaphragm, toolbox latch, and fuel gage on the dump truck have been repaired, along with the bumper winch on the service truck.

Library: Abi Vinson

- Patrons- There were 100 patrons that visited the Library in the month of September, resulting in an average count of 4.55 patrons per day.
- Collection Update- Twenty-Six new books were added to the collection in September.

- New Bookshelf- A new bookshelf crafted by JB Woodworks in Harrisburg has been installed.
- Banned Books Week- October 1<sup>st</sup> through 7<sup>th</sup> was “Banned Books Week.” The Library hosted some activities for the event, which went well.
- Halloween Event- A Halloween event is in the works that will include a guided art workshop with this season’s featured artist in the Library, Sue Matsu.
- Grant Writing Courses- Librarian Abi has enrolled in grant writing courses at Lane Community College in order to help acquire additional grants for the Library.

Sharing Hands: Ken Lorensen

- Loss of Funding & Continued Demand for Services-Councilor Lorensen stated that despite losing much of their State Funding, Sharing Hands in Brownsville continues to serve over three hundred families. As of last Friday, all pantries and freezers were empty. Volunteers are needed to assist with the Food Bank and Thrift Store.
- Expansion Project-Sharing Hands is currently conducting a large building addition project to expand the Thrift Store building in order to offer all services at one location, including the Food Bank. Councilor Lorensen requested that anyone with construction experience consider volunteering to help with the project.

Central Linn School District: Michelle Isom

- Community Night- Council President Isom stated that the attendance for the recent “Community Night” Event at the High School was great.
- Student Guests- A group of teachers and students from the High School attended the Council Meeting to bring in and showcase some of their recent projects, as well as speak about their programs at the High School. Instructor Ryan Geider spoke about the construction class. He stated that a curriculum has been purchased for the program and invited students to share with Council their “Viking Chairs,” which were constructed of donated logs. The students also recently constructed a picnic table that will be donated to Thompson Mills. An upcoming project for the class is a storage shed for the school cafeteria. Councilor Lorensen asked if the students are allowed to go offsite from the school for projects. Interim Administrator Wes Hare gave a brief explanation to the students of the purpose of the City Council and extended an invitation to them to attend future meetings and learn more about City Government.

Oregon Cascades West Council of Governments Board: Jeremy Romer

There was no report this month.

**OLD BUSINESS**

*There was no Old Business*

## **NEW BUSINESS**

*There was no New Business*

## **ORDINANCES & RESOLUTIONS**

### RESOLUTION 2023-727 – A Resolution by the Mayor for Continuum of Care

Council is asked to consider adopting a Resolution supporting Continuum of Care for the Linn, Benton, and Lincoln Counties Region and Registering with the United States Department of Housing and Urban Development in 2024.

**Motion:** I move that the Governing Body of the City of Halsey adopt RESOLUTION 2023-727– A Resolution by the Mayor in support of Continuum of Care.

**Motion by:**

**Vote:** Councilor Strauss, Seconded by Council President Isom

**Ayes:** Unanimous

**Motion Carries**

## **ADJOURNMENT**

Meeting adjourned at 8:02 pm

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Assistant City Recorder, Larissa Gangle

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Mayor Jerry Lachenbruch

## E. FINANCIAL REPORTS

Financial Reports & Journal Entries		
Council Action:	<b><i>MOTION</i></b>	<b>November 14, 2023</b>

**Issue Statement:** Council is asked to review and approve the Financial Reports and Journal Entries for September 2023.

### Summary:

Approving the September Financial Report includes approving check numbers 20496-20544 in the amount of \$81,862.65.

- **Possible Motion:** I move that the Governing Body of the City of Halsey approve the July 2023 Financial Reports and Journal Entries as submitted.
  - **Council Options**
    1. Approve as recommended.
    2. Approve with amendments.
    3. Provide further direction to staff.
    4. Deny or Postpone request.

CITY OF HALSEY  
COMBINED CASH INVESTMENT  
SEPTEMBER 30, 2023

COMBINED CASH ACCOUNTS

01-0001001	COMBINED CASH - CHECKING	25,470.61
01-0001002	MONEY MARKET	10,328.50
01-0001003	INVESTMENT POOLED	1,848,491.70
01-0001075	UTILITY CASH CLEARING ACCOUNT	106.60
		<hr/>
	TOTAL COMBINED CASH	1,884,397.41
01-0001100	XPRESS DEPOSIT ACCOUNT	22,258.94
01-0001000	CASH ALLOCATED TO OTHER FUNDS	( 1,906,497.05)
		<hr/>
TOTAL UNALLOCATED CASH		159.30
		<hr/>

CASH ALLOCATION RECONCILIATION

10	ALLOCATION TO (10) GENERAL FUND	121,141.28
18	ALLOCATION TO VEHICLE & EQUIP RESERVE	32,100.48
20	ALLOCATION TO (20) STREET FUND	76,241.82
25	ALLOCATION TO (25) STREET & PATHWAY FUND	76,784.70
40	ALLOCATION TO (40) BOND FUND	5,583.77
55	ALLOCATION TO (55) LIBRARY FUND	11,326.93
60	ALLOCATION TO (60) WATER FUND	413,525.43
61	ALLOCATION TO (61) SEWER FUND	264,744.90
62	ALLOCATION TO (62) WATER RESERVE FUND	351,128.04
63	ALLOCATION TO (63) SEWER RESERVE FUND	193,716.85
65	ALLOCATION TO STORM WATER BLUE HERON FUND	33,101.92
68	ALLOCATION TO (68) STORM WATER DRAINAGE FUND	24,949.01
72	ALLOCATION TO (72) WATER SYSTM DEVELOP CHG	110,973.05
73	ALLOCATION TO (73) SEWER SYSTM DEVELOP CHG	31,815.55
74	ALLOCATION TO (74) STORMWATER SYSTEM DEVELOP	141,271.04
80	ALLOCATION TO (80) VETERANS MEMORIAL PARK	10,462.21
85	ALLOCATION TO (85) HALSEY CITY PARK FUND	7,630.07
		<hr/>
TOTAL ALLOCATIONS TO OTHER FUNDS		1,906,497.05
ALLOCATION FROM COMBINED CASH FUND - 01-0001000		( 1,906,497.05)
		<hr/>
ZERO PROOF IF ALLOCATIONS BALANCE		.00
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## Report Criteria:

Print Outstanding Checks and Deposits and Bank and Book Adjustments

Xpress Deposit Bank () (99)  
September 30, 2023

Account: 010001100

Bank Account Number: 10912

Bank Statement Balance:	21,853.53	Book Balance Previous Month:	10,024.54
Outstanding Deposits:	405.41	Total Receipts:	12,234.40
Outstanding Checks:	.00	Total Disbursements:	.00
Bank Adjustments:	.00	Book Adjustments:	.00
Bank Balance:	22,258.94	Book Balance:	22,258.94

## Outstanding Deposits

Deposit Number	Deposit Amount	Deposit Number	Deposit Amount	Deposit Number	Deposit Amount	Deposit Number	Deposit Amount
1181	91.50	1189	126.44	1192	187.47		
						Total:	405.41

Deposits cleared: 24 items    Deposits Outstanding: 3 items

## Outstanding Checks

No outstanding checks found!

Checks cleared: 0 items    Checks Outstanding: 0 items

## Bank Adjustments

No bank adjustments found!

## Book Adjustments

No book adjustments found!

## Report Criteria:

Print Outstanding Checks and Deposits and Bank and Book Adjustments

Money Market Account (Money Market) (2)  
September 30, 2023

Account: 010001002

Bank Account Number: 25500059

Bank Statement Balance:	7,930.37	Book Balance Previous Month:	71,485.41
Outstanding Deposits:	2,398.73	Total Receipts:	34,648.79
Outstanding Checks:	.00	Total Disbursements:	95,805.10
Bank Adjustments:	.00	Book Adjustments:	.00
Bank Balance:	10,329.10	Book Balance:	10,329.10

## Outstanding Deposits

Deposit Number	Deposit Amount	Deposit Number	Deposit Amount	Deposit Number	Deposit Amount	Deposit Number	Deposit Amount
1009	300.33	1164	602.40	1194	.60		
1029	1,285.30	1184	210.10				
						Total:	2,398.73

Deposits cleared: 16 items    Deposits Outstanding: 5 items

## Outstanding Checks

No outstanding checks found!

Checks cleared: 10 items    Checks Outstanding: 0 items

## Bank Adjustments

No bank adjustments found!

## Book Adjustments

No book adjustments found!

## Report Criteria:

Print Outstanding Checks and Deposits and Bank and Book Adjustments

Umpqua Bank Operating Checking (Operating Checking) (1)  
September 30, 2023

Account: 010001001

Bank Account Number: 25500067

Bank Statement Balance:	86,334.44	Book Balance Previous Month:	80,800.17-
Outstanding Deposits:	389.02	Total Receipts:	232,334.27
Outstanding Checks:	60,469.20	Total Disbursements:	125,279.84
Bank Adjustments:	.00	Book Adjustments:	.00
Bank Balance:	26,254.26	Book Balance:	26,254.26

## Outstanding Deposits

Deposit Number	Deposit Amount	Deposit Number	Deposit Amount	Deposit Number	Deposit Amount	Deposit Number	Deposit Amount
1179	267.81	1180	10.00	1188	111.21		
						Total:	389.02

Deposits cleared: 37 items Deposits Outstanding: 3 items

## Outstanding Checks

Check Number	Check Amount	Check Number	Check Amount	Check Number	Check Amount	Check Number	Check Amount
4	247.95-	18163	.85	20372	30.00	20536	21,400.00
5	247.96-	18170	.50	20372	30.00-	20537	450.00
6	22.03-	18344	2,000.00	20412	30.87	20538	19.60
7	3.86-	18489	100.00	20440	7.21	20539	11,770.00
8	15.42-	18511	150.00	20457	1,000.00	20540	204.00
9	13.77-	18692	28.50	20484	72.00	20541	550.00
14206	27.52	19068	28.50	20526	626.45	20542	155.16
17523	23.44	19077	68.45	20527	13.50	20543	1,034.64
17752	316.65	19120	120.00	20528	300.00	20544	548.37
18058	53.23	19423	154.84	20529	4.99	925231	361.37
18073	154.00	19944	66.36	20532	2,860.00	925232	8,151.58
18155	1.63	19982	2.94	20533	131.91	925235	8,169.88
18156	13.27	19987	29.68	20535	78.50	225201	260.20-
						Total:	60,469.20

Checks cleared: 57 items Checks Outstanding: 52 items

## Bank Adjustments

No bank adjustments found!



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Book Adjustments

No book adjustments found!

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Report Criteria:

Print Outstanding Checks and Deposits and Bank and Book Adjustments

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## Report Criteria:

[Print Sequence Detail](#)

Date	Check Number	Payee or Description	Check Amount
09/20/2023	1	ACH Banking Fees	8.90
09/28/2023	1	Returned Check-Utility Account #1197.01	106.60
09/30/2023	3	xPress Bill Pay Monthly Fees	81.23
09/28/2023	3	Returned Check NSF Fee-Utility Account #1197.01	15.00
09/30/2023	4	xPress Bill Pay Monthly Fees	81.23
09/06/2023	5	CIS Benefits Adjustment	2.10
09/07/2023	5	Transfer MM to CK	10.00
09/11/2023	7	Transfer MM to CK	5,000.00
09/30/2023	8	Card Processing Merchant Fees	113.35
09/07/2023	8	Transfer MM to CK	5,000.00
09/21/2023	11	Transfer MM to CK	6,000.00
09/21/2023	13	Bank Fees	129.50
09/28/2023	15	Transfer MM to CK	25,000.00
09/28/2023	17	USDA Bond Payment-Principal	23,666.00
09/28/2023	18	USDA Bond Payment-Interest	30,878.00
09/07/2023	20496	Alyrica Networks	20.00
09/07/2023	20496	Alyrica Networks	19.99
09/07/2023	20497	American Rooter Sewer & Septic	1,650.00
09/07/2023	20498	AT&T	23.60
09/07/2023	20498	AT&T	23.60
09/07/2023	20498	AT&T	23.67
09/07/2023	20499	BMS Technologies	429.13
09/07/2023	20499	BMS Technologies	429.13
09/07/2023	20500	Carlson Hardware Inc.	78.98
09/07/2023	20500	Carlson Hardware Inc.	78.97
09/07/2023	20500	Carlson Hardware Inc.	78.98
09/07/2023	20501	CECO, Inc.	165.82
09/07/2023	20501	CECO, Inc.	82.91
09/07/2023	20501	CECO, Inc.	261.48
09/07/2023	20501	CECO, Inc.	127.54
09/07/2023	20502	Cascade Columbia Distribution	421.90
09/07/2023	20503	Caselle, Inc.	486.00
09/07/2023	20503	Caselle, Inc.	156.00
09/07/2023	20503	Caselle, Inc.	156.00
09/07/2023	20504	Cintas	41.86
09/07/2023	20505	Civil West Engineering Services, Inc.	6,154.75
09/07/2023	20505	Civil West Engineering Services, Inc.	3,919.50
09/07/2023	20506	Devco Engineering Inc.	127.50
09/07/2023	20507	Executive Cleaning	624.00
09/07/2023	20508	Ferguson Waterworks # 3011	341.99
09/07/2023	20509	Linn County Planning and Building Dept	90.69
09/07/2023	20510	Linn County Sheriff's Office	625.00
09/07/2023	20511	Napa Auto Parts	8.42
09/07/2023	20511	Napa Auto Parts	8.42
09/07/2023	20511	Napa Auto Parts	8.42
09/07/2023	20511	Napa Auto Parts	8.43
09/07/2023	20512	ODP Business Solutions, LLC	220.31
09/07/2023	20513	Otis Elevator Company	100.00
09/07/2023	20514	Renewable Resource Group, Inc	1,274.00
09/07/2023	20514	Renewable Resource Group, Inc	148.00
09/07/2023	20515	Roome Telecommunications Inc.	145.80
09/07/2023	20515	Roome Telecommunications Inc.	33.40
09/07/2023	20515	Roome Telecommunications Inc.	77.19
09/07/2023	20515	Roome Telecommunications Inc.	34.40
09/13/2023	20516	Aggregate Resource Crushing, LLC	197.73
09/13/2023	20516	Aggregate Resource Crushing, LLC	201.18

Date	Check Number	Payee or Description	Check Amount
09/13/2023	20517	GSI Water Solutions, Inc.	2,631.25
09/13/2023	20518	JSG Lawn Maintenance	1,800.00
09/13/2023	20518	JSG Lawn Maintenance	200.00
09/13/2023	20519	Kelley Connect Co.	182.17
09/13/2023	20519	Kelley Connect Co.	22.22
09/13/2023	20519	Kelley Connect Co.	146.63
09/13/2023	20519	Kelley Connect Co.	93.30
09/13/2023	20520	Local Government Law Group, PC	752.00
09/13/2023	20521	Pacific Power	1,571.01
09/13/2023	20521	Pacific Power	48.46
09/13/2023	20521	Pacific Power	1,606.61
09/13/2023	20521	Pacific Power	148.95
09/13/2023	20521	Pacific Power	32.68
09/13/2023	20521	Pacific Power	54.34
09/13/2023	20522	Renewable Resource Group, Inc	148.00
09/13/2023	20523	SAIF Corporation	631.75
09/13/2023	20524	Samaritan Occupational Medicine	75.00
09/13/2023	20524	Samaritan Occupational Medicine	75.00
09/13/2023	20525	Wells Fargo Financial Leasing, Inc.	123.50
09/13/2023	20525	Wells Fargo Financial Leasing, Inc.	39.00
09/13/2023	20525	Wells Fargo Financial Leasing, Inc.	123.50
09/13/2023	20525	Wells Fargo Financial Leasing, Inc.	39.00
09/21/2023	20526	David Kinney	626.45
09/21/2023	20527	Maria Santos	13.50
09/21/2023	20528	Morley Thomas Law	300.00
09/21/2023	20529	Napa Auto Parts	1.66
09/21/2023	20529	Napa Auto Parts	1.66
09/21/2023	20529	Napa Auto Parts	1.67
09/21/2023	20530	National Business Solutions	832.00
09/21/2023	20531	NW Natural Gas	22.06
09/21/2023	20531	NW Natural Gas	31.44
09/21/2023	20532	Oregon Water Resources Department	2,860.00
09/21/2023	20533	Security Alarm Corp	131.91
09/21/2023	20534	State of Oregon	2,343.00
09/27/2023	20535	AT&T Mobility	26.14
09/27/2023	20535	AT&T Mobility	26.14
09/27/2023	20535	AT&T Mobility	26.22
09/27/2023	20536	Infinity Gutters & Construction LLC	21,400.00
09/27/2023	20537	JB Woodworks	450.00
09/27/2023	20538	One Call Concepts Inc.	9.80
09/27/2023	20538	One Call Concepts Inc.	9.80
09/27/2023	20539	Pauly, Rogers and Co., P.C.	11,770.00
09/27/2023	20540	Renewable Resource Group, Inc	84.00
09/27/2023	20540	Renewable Resource Group, Inc	120.00
09/27/2023	20541	Roome Telecommunications Inc.	183.36
09/27/2023	20541	Roome Telecommunications Inc.	183.32
09/27/2023	20541	Roome Telecommunications Inc.	183.32
09/27/2023	20542	Traffic Safety Supply	155.16
09/27/2023	20543	Elan Financial Services	607.95
09/27/2023	20543	Elan Financial Services	221.89
09/27/2023	20543	Elan Financial Services	109.33
09/27/2023	20543	Elan Financial Services	70.50
09/27/2023	20543	Elan Financial Services	24.97
09/27/2023	20544	Zumar Industries	548.37
09/08/2023	92201	DIRECT DEPOSIT TOTAL	4,775.19
09/29/2023	92202	DIRECT DEPOSIT TOTAL	19,971.78
09/25/2023	925231	AFLAC	361.37
09/25/2023	925232	EBS Trust, CIS- Benefits	8,145.14

Date	Check Number	Payee or Description	Check Amount
09/25/2023	925232	EBS Trust, CIS- Benefits	6.44
09/25/2023	925233	IRS Tax Deposit	4,125.12
09/25/2023	925233	IRS Tax Deposit	964.74
09/25/2023	925233	IRS Tax Deposit	2,477.06
09/25/2023	925234	Oregon Dept of Revenue - WC/UI	21.28
09/25/2023	925234	Oregon Dept of Revenue - WC/UI	2,185.00
09/25/2023	925234	Oregon Dept of Revenue - WC/UI	148.65
09/25/2023	925235	P.E.R.S.	2,010.57
09/25/2023	925235	P.E.R.S.	6,159.31
09/25/2023	925236	VOYA	616.70
09/08/2023	90820231	Norton, Hilary - DIR DEP	.00
09/29/2023	93020231	Andy Ridinger - DIR DEP	.00
09/29/2023	93020232	Gangle, Larissa Michele - DIR DEP	.00
09/29/2023	93020233	William Jones - DIR DEP	.00
09/29/2023	93020234	Madison LaCoste - DIR DEP	.00
09/29/2023	93020235	Abrial Vinson - DIR DEP	.00
09/29/2023	93020236	Amber Murray - DIR DEP	.00
09/29/2023	93020237	Wesley Hare - DIR DEP	.00
Grand Totals:			221,084.94

[Print Sequence Detail](#)

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Check No.	Check Date	Vendor No.	Payee	Description	GL Account	Amount Pd
20496	09/07/2023	934	Alyrica Networks	Internet	61-320-55-5662	39.99
20497	09/07/2023	18	American Rooter Sewer & Septic	E 1st Vactor	60-310-55-5701	1,650.00
20498	09/07/2023	24	AT&T	Telephone	60-310-55-5662	70.87
20499	09/07/2023	1129	BMS Technologies	Utility Bill Printing & Mailing Costs	60-310-55-5610	858.26
20500	09/07/2023	46	Carlson Hardware Inc.	Shop Supplies-August 2023	61-320-55-5606	236.93
20501	09/07/2023	47	CECO, Inc.	Fuel	61-320-55-5615	637.75
20502	09/07/2023	48	Cascade Columbia Distribution	SODIUM HYPOCHLORITE	61-320-55-5675	421.90
20503	09/07/2023	49	Caselle, Inc.	Contract Support & Maintenance-10/1/2023-10/	60-310-55-5611	798.00
20504	09/07/2023	1163	Cintas	City Hall Drinking Water	10-110-55-5542	41.86
20505	09/07/2023	945	Civil West Engineering Services, I	Evaluation	61-320-55-5910	10,074.25
20506	09/07/2023	91	Devco Engineering Inc.	Professional Fees - Cost options for roadwork	20-210-55-5910	127.50
20507	09/07/2023	954	Executive Cleaning	Contract Janitorial Services-	10-110-55-5680	624.00
20508	09/07/2023	848	Ferguson Waterworks # 3011	Water Parts	60-310-55-5701	341.99
20509	09/07/2023	205	Linn County Planning and Buildin	Plan Review Fees August2023	10-110-55-5561	90.69
20510	09/07/2023	208	Linn County Sheriff's Office	Work Crew	68-330-55-5588	625.00
20511	09/07/2023	632	Napa Auto Parts	Parts	60-310-55-5690	33.69
20512	09/07/2023	791	ODP Business Solutions, LLC	Office Supplies	10-110-55-5616	220.31
20513	09/07/2023	292	Otis Elevator Company	Service Contract	10-110-55-5689	100.00
20514	09/07/2023	19	Renewable Resource Group, Inc	Lab Testing-Disinfection by-products	60-310-55-5860	1,422.00
20515	09/07/2023	332	Roome Telecommunications Inc.	LIBRARY	55-410-55-5664	290.79
20516	09/13/2023	711	Aggregate Resource Crushing, LL	1090 W 5th Rock Delivery	68-330-55-5587	398.91
20517	09/13/2023	1103	GSI Water Solutions, Inc.	Permitting and water rights discussions, plan re	60-310-60-6002	2,631.25
20518	09/13/2023	1062	JSG Lawn Maintenance	Veterans Memorial Park Landscaping Service-	80-510-55-5840	2,000.00
20519	09/13/2023	1014	Kelley Connect Co.	Monthly Copier Contract	61-320-55-5702	444.32
20520	09/13/2023	1042	Local Government Law Group, P	Legal Services	10-110-55-5721	752.00
20521	09/13/2023	297	Pacific Power	Street Lights	10-110-55-5570	3,462.05
20522	09/13/2023	19	Renewable Resource Group, Inc	Lab Testing-	61-320-55-5860	148.00
20523	09/13/2023	1054	SAIF Corporation	Worker's Compensantion Insurance	10-110-55-5590	631.75
20524	09/13/2023	1098	Samaritan Occupational Medicine	Ridinger Physical	60-310-55-5730	150.00
20525	09/13/2023	1132	Wells Fargo Financial Leasing, Inc	Security Camera Payment Contract	55-410-55-5664	325.00
20526	09/21/2023	799	David Kinney	Planning Services-August,1-Sept,17,2023	10-110-55-5623	626.45
20527	09/21/2023	1202	Maria Santos	Utilites Refund-Final Bill	01-0001075	13.50
20528	09/21/2023	957	Morley Thomas Law	City Municipal Judge-September2023	10-110-55-5648	300.00
20529	09/21/2023	632	Napa Auto Parts	Shop Supplies	61-320-55-5606	4.99
20530	09/21/2023	1110	National Business Solutions	Contract IT Support-	10-110-55-5770	832.00
20531	09/21/2023	263	NW Natural Gas	Natural Gas Service- City Shop	60-310-55-5671	53.50
20532	09/21/2023	1203	Oregon Water Resources Depart	Application Fee for Well Replacement	60-310-60-6002	2,860.00
20533	09/21/2023	688	Security Alarm Corp	Fire & Security Monitoring-September	10-110-55-5771	131.91
20534	09/21/2023	365	State of Oregon	Water Quality Permit Annual Invoice 2023	61-320-55-5895	2,343.00
20535	09/27/2023	24	AT&T Mobility	Public Works Tablet	61-320-55-5662	78.50
20536	09/27/2023	1201	Infinity Gutters & Construction LL	City Hall Roof	10-110-60-6016	21,400.00
20537	09/27/2023	1181	JB Woodworks	Bookcase for library	55-410-60-6001	450.00
20538	09/27/2023	272	One Call Concepts Inc.	Line Locate	60-310-55-5546	19.60
20539	09/27/2023	303	Pauly, Rogers and Co., P.C.	June 30, 2023 Audit	10-110-55-5775	11,770.00
20540	09/27/2023	19	Renewable Resource Group, Inc	Lab Testing-9/19/2023	61-320-55-5860	204.00
20541	09/27/2023	332	Roome Telecommunications Inc.	Laser Level	20-210-55-5655	550.00
20542	09/27/2023	384	Traffic Safety Supply	Traffic Cones	20-210-55-5602	155.16
20543	09/27/2023	665	Elan Financial Services	Fitting for Park Rock Bubbler	85-510-55-5840	1,034.64
20544	09/27/2023	1076	Zumar Industries	Street Barricades	20-210-55-5602	548.37
Grand Totals:						73,024.68



Report Criteria:

Includes the following check types:

Manual, Payroll, Supplemental, Termination, Void

Includes unprinted checks

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## Report Criteria:

Include transaction count

Date	Reference Number	Payee or Description	Account Number	Account Title	Debit Amount	Credit Amount
<b>CASH DISBURSEMENTS - MoneyMkt (CD2)</b>						
09/28/2023	1	Returned Check-Utility Account #1197.01	01-0001075	Utility Cash Clearing Account	106.60	
09/28/2023	2	Returned Check-Utility Account #1197.01	01-0001002	Money Market	.00	106.60-
09/28/2023	3	Returned Check NSF Fee-Utility Account #	10-110-55-5545	Bank Fees/Misc Expense	15.00	
09/28/2023	4	Returned Check NSF Fee-Utility Account #	01-0001002	Money Market	.00	15.00-
09/07/2023	5	Transfer MM to CK	01-0001001	Combined Cash - Checking	10.00	
09/07/2023	6	Transfer MM to CK	01-0001002	Money Market	.00	10.00-
09/11/2023	7	Transfer MM to CK	01-0001001	Combined Cash - Checking	5,000.00	
09/07/2023	8	Transfer MM to CK	01-0001001	Combined Cash - Checking	5,000.00	
09/07/2023	9	Transfer MM to CK	01-0001002	Money Market	.00	5,000.00-
09/11/2023	10	Transfer MM to CK	01-0001002	Money Market	.00	5,000.00-
09/21/2023	11	Transfer MM to CK	01-0001001	Combined Cash - Checking	6,000.00	
09/21/2023	12	Transfer MM to CK	01-0001002	Money Market	.00	6,000.00-
09/21/2023	13	Bank Fees	10-110-55-5545	Bank Fees/Misc Expense	129.50	
09/21/2023	14	Bank Fees	01-0001002	Money Market	.00	129.50-
09/28/2023	15	Transfer MM to CK	01-0001001	Combined Cash - Checking	25,000.00	
09/28/2023	16	Transfer MM to CK	01-0001002	Money Market	.00	25,000.00-
09/28/2023	17	USDA Bond Payment-Principal	40-610-70-7002	1997 Water Bond Principal Pmts	23,666.00	
09/28/2023	18	USDA Bond Payment-Interest	40-610-70-7020	1997 Water Bond Interest Pmts	30,878.00	
09/28/2023	19	USDA Bond Payment	01-0001002	Money Market	.00	54,544.00-
Total 923:					95,805.10	95,805.10-
Total CASH DISBURSEMENTS - MoneyMkt (CD2):					95,805.10	95,805.10-
References: 19 Transactions: 19						
Grand Totals:					95,805.10	95,805.10-

## Report Criteria:

Include transaction count

Date	Reference Number	Payee or Description	Account Number	Account Title	Debit Amount	Credit Amount
<b>CASH RECEIPTS - MANUAL ENTRIES (CRJE)</b>						
10/03/2023	1	Money Market Interest Earned	01-0001002	Money Market	.12	
10/03/2023	2	Money Market Interest Earned	10-000-40-650	Interest on Investments	.00	.12-
10/03/2023	3	LGIP Transfer to Checking	01-0001001	Combined Cash - Checking	174,000.00	
10/03/2023	4	LGIP Transfer to Checking	01-0001003	Investment Pooled	.00	174,000.00-
10/03/2023	5	DLCD Planning Grant	01-0001002	Money Market	2,000.00	
10/03/2023	6	DLCD Planning Grant	10-000-40-705	Grants	.00	2,000.00-
09/30/2023	7	PERS Adjustment	01-0001001	Combined Cash - Checking	1,061.56	
09/30/2023	8	PERS Adjustment	10-110-50-5402	PERS Retirement-Employer	.00	1,061.56-
Total 923:					177,061.68	177,061.68-
Total CASH RECEIPTS - MANUAL ENTRIES (CRJE):					177,061.68	177,061.68-
References: 8 Transactions: 8						
Grand Totals:					177,061.68	177,061.68-

## Report Criteria:

Include transaction count

Date	Reference Number	Payee or Description	Account Number	Account Title	Debit Amount	Credit Amount
<b>CASH DISBURSEMENTS (CD)</b>						
09/20/2023	1	ACH Banking Fees	10-110-55-5545	Bank Fees/Misc Expense	8.90	
09/20/2023	2	ACH Banking Fees	01-0001001	Combined Cash - Checking	.00	8.90-
09/30/2023	3	xPress Bill Pay Monthly Fees	61-320-55-5611	Autopay Billing Software	81.23	
09/30/2023	4	xPress Bill Pay Monthly Fees	60-310-55-5611	Autopay Billing Software	81.23	
09/06/2023	5	CIS Benefits Adjustment	10-110-50-5300	Employee Health Insurance	2.10	
09/06/2023	6	CIS Benefits Adjustment	01-0001001	Combined Cash - Checking	.00	2.10-
09/30/2023	8	Card Processing Merchant Fees	10-110-55-5545	Bank Fees/Misc Expense	113.35	
09/30/2023	9	Card Processing Merchant Fees	01-0001001	Combined Cash - Checking	.00	113.35-
09/30/2023	10	xPress Bill Pay Monthly Charges	01-0001001	Combined Cash - Checking	.00	162.46-
Total 923:					286.81	286.81-
Total CASH DISBURSEMENTS (CD):					286.81	286.81-
References: 9 Transactions: 9						
Grand Totals:					286.81	286.81-

## Report Criteria:

Include transaction count

Date	Reference Number	Payee or Description	Account Number	Account Title	Debit Amount	Credit Amount
<b>JOURNAL ENTRIES (JE)</b>						
10/12/2023	1	LGIP Interest	01-0001003	Investment Pooled	7,256.85	
10/12/2023	2	LGIP Interest	10-000-40-650	Interest on Investments	.00	465.08-
10/12/2023	3	LGIP Interest	18-000-40-650	Interest on Investments	.00	122.13-
10/12/2023	4	LGIP Interest	20-000-40-650	Interest on Investments	.00	290.06-
10/12/2023	5	LGIP Interest	25-000-40-650	Interest on Investments	.00	292.13-
10/12/2023	6	LGIP Interest	40-000-40-650	Interest on Investments	.00	21.24-
10/12/2023	7	LGIP Interest	55-000-40-650	Interest on Investments	.00	43.09-
10/12/2023	8	LGIP Interest	60-000-40-650	Interest on Investments	.00	1,573.07-
10/12/2023	9	LGIP Interest	61-000-40-650	Interest on Investments	.00	1,006.77-
10/12/2023	10	LGIP Interest	62-000-40-650	Interest on Investments	.00	1,335.87-
10/12/2023	11	LGIP Interest	63-000-40-650	Interest on Investments	.00	737.00-
10/12/2023	12	LGIP Interest	65-000-40-650	Interest on Investments	.00	125.94-
10/12/2023	13	LGIP Interest	68-000-40-650	Interest on Investments	.00	94.93-
10/12/2023	14	LGIP Interest	72-000-40-650	Interest on Investments	.00	422.20-
10/12/2023	15	LGIP Interest	73-000-40-650	Interest on Investments	.00	121.04-
10/12/2023	16	LGIP Interest	74-000-40-650	Interest on Investments	.00	537.47-
10/12/2023	17	LGIP Interest	80-000-40-650	Interest on Investments	.00	39.80-
10/12/2023	18	LGIP Interest	85-000-40-650	Interest on Investments	.00	29.03-
09/01/2023	19	LGIP ACH Fee	10-110-55-5545	Bank Fees/Misc Expense	.05	
09/01/2023	20	LGIP ACH Fee	01-0001003	Investment Pooled	.00	.05-
Total 923:					7,256.90	7,256.90-
Total JOURNAL ENTRIES (JE):					7,256.90	7,256.90-
References: 20 Transactions: 20						
Grand Totals:					7,256.90	7,256.90-

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

Mayor: \_\_\_\_\_

City Council: \_\_\_\_\_

City Recorder: \_\_\_\_\_



# LINN COUNTY SHERIFF'S OFFICE

**Michelle Duncan, Sheriff**

1115 S.E. Jackson Street, Albany, OR 97322

Albany, OR. 97322

Phone: 541-967-3950

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

## 2023

### MONTHLY REPORT TO THE CITY OF HALSEY FROM THE LINN COUNTY SHERIFF'S OFFICE

**FOR THE MONTH OF:**

**OCTOBER**

TRAFFIC CITATIONS: -----	2
TRAFFIC WARNINGS: -----	6
TRAFFIC CRASHES: -----	0
ARRESTS MADE: -----	3
COMPLAINTS/INCIDENTS INVESTIGATED:-----	36

**TOTAL HOURS SPENT:**

**HALSEY**

**80 hours**

**CONTRACT HOURS= 72 HOURS**

**Michelle Duncan,  
Sheriff, Linn County**

**By: Lt. Beth Miller**





**MONTHLY BULLETIN OF DISPATCHED  
CALLS AND CASES  
FOR CONTRACT CITIES**

This Report Encompasses: 10/ 1/23 to 10/31/23

Total Incidents This Month: **36**

**Incident Information:**

**Description**

CAD# 2023194957  
TIME: 10/1/2023 12:26:23PM  
CASE# CAD Only  
HALS

WELFARE CHECK Reported at Block of 000 BLUE HERON ST/ROYAL TERN AVE HALS

Related to the AOA call below. This was a duplicate call to the medical call in case 23-04155.

CAD# 2023194963  
TIME: 10/1/2023 12:36:51PM  
CASE# 2304155  
HALS  
REPORT TAKEN

REPORT PENDING. Original Call Type: ASSIST OTHER AGENCY Reported At Block Of 500 ROYAL TERN AVE Occurred between 1236 hours on 10/1/2023 and 1236 hours on

Deputies responded to assist Medical personnel with a burn victim.

CAD# 2023195395  
TIME: 10/2/2023 6:38:13AM  
CASE# 2304162  
HALS  
REPORT TAKEN

Report Filed. WARRANT ARREST (LW ONLY) Reported At Block Of 1200 W 2ND ST Occurred between 0637 hours on 10/2/2023 and 0638 hours on 10/2/2023 . Reported:

Kristina Hayes, 38 of Turner was issued a citation in lieu of custody for a warrant.

CAD# 2023196621  
TIME: 10/3/2023 10:54:43PM  
CASE# CAD Only  
HALS  
CAD CALL COMPLETE

WELFARE CHECK Reported at Block of 000 W 1ST ST HALS

Caller requests welfare check at business, due to employees car still being at the location. Deputy check the location and observe no suspicious activity. Deputies contact the employee who informs them their vehicle broke down and will be parked at the location over night.

CAD# 2023197279  
TIME: 10/4/2023 6:44:41PM  
CASE# CAD Only  
HALS  
CAD CALL COMPLETE

ASSIST OTHER AGENCY Reported at Block of 000 NW 2ND ST/AMERICAN DR HALS

Deputies responded to a MVC and remained on scene until OSP arrived and took investigation.



## Incident Information:

## Description

CAD# 2023197879  
 TIME 10/5/2023 4:29:51PM  
 CASE# 2304238  
 HALS  
 REPORT TAKEN

Report Filed HARASSMENT PHONE - INTIMIDATE/THRT Reported At Block Of 100 W 1ST ST Occurred between 1628 hours on 10/5/2023 and 1629 hours on 10/5/2023 . Reported:

Report taken for telephonic harassment

CAD# 2023197879  
 TIME 10/6/2023 10:21:25PM  
 CASE# CAD Only  
 HALS  
 CAD CALL COMPLETE

TRAFFIC STOP Reported at Block of 000 AMERICAN DR HALS

Driver committed a traffic not obeying traffic laws in the area

CAD# 2023197879  
 TIME 10/6/2023 10:21:25PM  
 CASE# CAD Only  
 HALS  
 CAD CALL COMPLETE

TRAFFIC STOP Reported at Block of 1400 W 2ND ST W 6 ST HALS

Driver committed a speeding violation

CAD# 2023197879  
 TIME 10/6/2023 10:21:25PM  
 CASE# CAD Only  
 HALS  
 WARNING SPEEDING VIOLATION

TRAFFIC STOP Reported at Block of 2200 W 3RD ST W 5 ST HALS

Driver committed a speeding violation

CAD# 2023198704  
 TIME 10/6/2023 10:54:03PM  
 CASE# CAD Only  
 HALS  
 CITE MOVING VIOLATION

TRAFFIC STOP Reported at Block of 000 W 2ND ST W A ST HALS

18 year old G. Gonzales of Albany was issued a citation for Fail to Obey a Traffic Control Device

CAD# 2023198787  
 TIME 10/6/2023 11:47:42PM  
 CASE# CAD Only  
 HALS  
 CAD CALL COMPLETE

EXTRA PATROL Reported at Block of 500 W 4TH ST HALS

Caller requests extra patrol. Deputy performs extra patrol, then returns later to perform another extra patrol. No suspicious activity discovered.



Incident Information:	Description
CAD# 2023198901 TIME 10/7/2023 5:39:15AM CASE# CAD Only HALS WARNING EQUIPMENT VIOL	<b>TRAFFIC STOP</b> Reported at Block of 200 W 2ND ST/W C ST HALS <hr/> Operator warned for equipment violation.
CAD# 2023198902 TIME 10/8/2023 11:01:59AM CASE# CAD Only HALS CAD CALL COMPLETE	<b>WELTAGE ATTC</b> Reported at Block of 700 W 4TH ST HALS <hr/> Patrolman stopped truck on a resident at the request of a friend. The resident was in good condition with no injuries, and did not need any assistance.
CAD# 2023198903 TIME 10/8/2023 12:21:27PM CASE# CAD Only HALS CAD CALL COMPLETE	<b>TRUCK COMPLAINT</b> Reported at Block of 000 AMERICAN DR HALS <hr/> Patrolman advised driver about hazardous fork lift operations in the area.
CAD# 2023198904 TIME 10/10/2023 7:00:00AM CASE# CAD Only HALS CAD CALL COMPLETE	<b>TRUCK COMPLAINT</b> Reported at Block of 000 W 10TH ST HALS <hr/> Attempting to address parking violations and a specific residence.
CAD# 2023201125 TIME 10/10/2023 7:06:23PM CASE# CAD Only HALS CAD CALL COMPLETE	<b>EVENING DETAIL</b> Reported at Block of 000 W HALSEY ST HALS <hr/> city council meeting
CAD# 2023201112 TIME 10/11/2023 1:27:58PM CASE# CAD Only HALS CAD CALL COMPLETE	<b>EXTRA PATROL</b> Reported at Block of 100 NW 2ND ST HALS <hr/> Monitored intersection for violations.

## Incident Information:

## Description

CAD# 2023201882  
TIME 10/11/2023 5:57:25PM  
CASE# CAD Only  
HALS  
HALSEY

**SUSPICIOUS PERSON** Reported at Block of 600 W 3RD ST HALS

Suspicious people asking to speak with the resident of a home. No crimes reported.

CAD# 2023201898  
TIME 10/11/2023 5:13:00PM  
CASE# 2304324  
HALS  
REPORT TAKEN

**REPORT TAKEN** Original Call Type: SEX OFFENSE Reported At Block Of 600 W 3RD ST HALS between 1813 hours on 10/11/2023 and 1813 hours on 10/11/2023 Reported

On 10/11/2023, Officer of Halsey was arrested for Online Sexual Corruption of a Child in the State of Georgia and booked at the Linn County Jail

CAD# 2023201899  
TIME 10/11/2023 5:28:57PM  
CASE# CAD Only  
HALS

**REPORT TAKEN** REPORT Reported at Block of 400 W 1ST ST HALS

Officer of Halsey Fire about training they conducted

CAD# 2023202272  
TIME 10/12/2023 11:27:00AM  
CASE# CAD Only  
HALS  
HALSEY

**REPORT TAKEN** Block of 400 W 2ND ST HALS

Deputy responded to a possible burglary. Employee was getting the store ready to open.

CAD# 2023202273  
TIME 10/12/2023 11:27:03AM  
CASE# CAD Only  
HALS

**NON 911 ISSUE** Reported at Block of 400 E 2ND ST HALS

Caller hung up after stating she was trying to reach California

CAD# 2023203104  
TIME 10/13/2023 1:15:42PM  
CASE# CAD Only  
HALS  
WARNING SUSPICIOUS VEH

**TRAFFIC COMPLAINT** Reported at Block of 1000 W 4TH ST HALS

Juveniles warned for drying an ATV down the road. They were unaware it was unlawful and were warned they could be cited if it happened again.



## Incident Information:

## Description

CAD# 2023203402  
TIME 10/13/2023 10:06:50PM  
CASE# CAD Only  
HALS  
WARNING MOVING VIOLATE

## TRAFFIC STOP Reported at Block of 000 AMERICAN DR/W 2ND ST HALS

Operator warned for a stop sign violation when traveling east on American Dr at W 2nd St.

CAD# 2023203559  
TIME 10/14/2023 10:06:26AM  
CASE# CAD Only  
HALS  
CAD CALL COMPLETE

## TRAFFIC COMPLAINT Reported at Block of 400 W D ST HALS

Deputy was called to a complaint about legally parked cars which weren't leaving enough room for people to also place trash cans. Deputy suggested they leave a note on trash can if vehicle is moved on trash days.

CAD# 2023205129  
TIME 10/16/2023 10:18:45AM  
CASE# CAD Only  
HALS  
CITE MOVING VIOLATE

## PARKING COMPLAINT Reported at Block of 700 W 3RD ST/W H ST HALS

Deputy filed a complaint for parking issue in the city right of way. It was not resolved by the vehicle's owner for several days, therefore citations were issued and affixed to the vehicles.

CAD# 2023206170  
TIME 10/17/2023 10:05:51AM  
CASE# CAD Only  
HALS  
WARNING MOVING VIOLATE

## TRAFFIC STOP Reported at Block of 000 W 5TH ST/AMERICAN DR HALS

Operator received moving violation warning.

CAD# 2023206411  
TIME 10/17/2023 5:01:21PM  
CASE# CAD Only  
HALS  
CAD CALL COMPLETE

## INFORMATION ONLY REPORT Reported at Block of 200 W O ST HALS

Deputy checked on a female sitting by her car near the park.

CAD# 2023206470  
TIME 10/18/2023 10:55:58AM  
CASE# CAD Only  
HALS  
CAD CALL COMPLETE

## SUSPICIOUS VEHICLE Reported at Block of 200 W O ST HALS

Deputy contacted female who appeared to have slept in the park over night. She will be moving along back to Eugene.

## Incident Information:

## Description

CAD# 2023207924  
TIME 10/20/2023 11:45:19AM  
CASE# CAD Only  
HALS  
WARNING EQUIPMENT VIOL

TRAFFIC STOP Reported at Block of 000 W 2ND ST/WA ST HALS

Operator received equipment violation

CAD# 2023208345  
TIME 10/20/2023 11:15:10PM  
CASE# CAD Only  
HALS

POCKET DIAL LGSO AND CRCC Reported at Block of 300 W 4TH ST HALS

No Public Narrative

CAD# 2023209517  
TIME 10/22/2023 8:09:40PM  
CASE# CAD Only  
HALS

POCKET DIAL LGSO AND CRCC Reported at Block of 500 AMERICAN DR HALS

No Public Narrative

CAD# 2023210504  
TIME 10/24/2023 9:43:31AM  
CASE# CAD Only  
HALS

ITINERARY STOP - CIVIC LK Reported at Block of 100 W 4TH ST HALS

Information provided to caller on how to reach Denmark Police

CAD# 2023211082  
TIME 10/25/2023 7:31:58AM  
CASE# CAD Only  
HALS  
CAD CALL COMPLETE

ANIMAL COMPLAINT Reported at Block of 200 W F ST HALS

Caller informed of firearm laws

CAD# 2023211086  
TIME 10/25/2023 7:36:02AM  
CASE# 2304557  
HALS  
REPORT TAKEN

REPORT PENDING Original Call Type UEMV Reported At Block Of 100 NW 2ND ST  
Occurred between 0736 hours on 10/25/2023 and 0736 hours on 10/25/2023. Reported

Post Office employee reports attempted gas theft. No gas was stolen but the attempt caused \$230.00 in damages and replacement costs.

Incident Information:	Description
<p>CAD# 2023212705</p> <p>TIME: 10/27/2023 1:02:02PM</p> <p>CASE# CAD Only</p> <p>HALS</p>	<p>911 HANG UP CALL Reported at Block of 100 W HALSEY ST HALS</p> <hr/> <p>No Public Narrative.</p>

## I. REPORTS TO COUNCIL

1. Employee Reports		
a. City Administrator Report		
Council Action:	NONE	November 14, 2023

### 1. Project Updates

- Well 69R updates
  - Fully funded by grants, loans, and budgeting back up.
- I&I Project and Wastewater Facilities plan
  - We have several funding opportunities, two of which we will be voting on tonight.
- Halsey Memorial Park
  - Phase 1 is funded upon ODOTs removal of trees from the right of way.

### 2. Clean Water State Fund Loan Agreement

Our Sewer project forgivable loan is in the final approval process.

### 3. City Administrator Recruitment Update

It has been posted to the League of Oregon Cities Government jobs board and our website.  
We have 4 candidates so far.

### 4. The Public Works Vector Truck

Andy will go into more detail. Peterson Cat is doing an engine assessment. We may be in the market for a new one depending on their verdict. We have about 40,000 in our vehicle replacement fund.

### 5. City Hall Phone System

Amber has found a new phone system provider that will save us approximately \$100.00 dollars a month and allow the staff to communicate better with citizens.

## **I. REPORTS TO COUNCIL**

<b>1. Employee Reports</b>		
<b>b. Public Works Department</b>		
<b>Council Action:</b>	<b>NONE</b>	<b>November 14, 2023</b>

### **Water Distribution:**

Water Produced                      2,013,000 Gallons  
Daily Average  
   65,000 Gallons

### **Wastewater collected:**

WW Collected                      1,308,000 Gallons  
Daily Average                      42,000 Gallons

### **Water:**

3- water leaks, all were water services. The leaks were on W. H. St, 600 block of W. G St, 200 block of Cormorant.

Installed a new service to 813 W. 2<sup>nd</sup> St.

Flushed all dead-end water lines throughout town.

**Sewer:** This is the 3<sup>rd</sup> time we have had the Vactor truck in the shop for transmission issues. The last two transmission problems, the failure reported indicated the input shaft was broken, and the cause was a shock overload. The list of probable causes did not match the way we operate or drive the truck. With that being said, the report indicated nothing in the transmission is the cause of the failure and deemed unwarrantable on this last transmission issue. For them to find the external probable cause they need a transmission. As of now we are having them do a bottom end diagnostic on the motor to eliminate or confirm a probable cause. We are bringing this to the council with a decision to move forward with having another transmission installed and find the external problem or make plans to replace the vactor truck. The cost of the transmission and approximately 10 hours of time to troubleshoot the problem is \$7500. Wes will have this topic in his report as well. I wanted to add that this piece of equipment is very valuable for the operations and maintenance of the Public Works.

### **Streets:**

2- trees were cut down on the east side of town, public works cleaned up the sights.

### **Drainage:**

We installed #2 pump that we had in the shop at the Blue Heron drainage pump station. We Installed some new level floats and had to pull # 1 pump out and take it into the shop because a thermal switch was out. Installed a section of drainage pipe on the 100 Block of E. C St.

### **Miscellaneous:**

Replaced the hot water tank at the shop.  
Hopper mower repair (new starter).

## I. REPORTS TO COUNCIL

<b>1. Employee Reports</b>		
<b>c. Library</b>		
<b>Council Action:</b>	<b>NONE</b>	<b>October 1, 2023</b>

<b>Circulation for October</b>		<b>Total Circulation since opening (Aug. 2015)</b>	11,908
Fiction	22		
Non-Fiction	36	<b>Total Number of Patrons to Date</b>	591
Total	58		
<b>Cities Represented in Circulation</b>		<b>Total Number of items in collection</b>	4,862
Halsey	52		
Shedd	5	<b>Avg. Daily Threshold Count since opening</b>	6.02
Brownsville	0	<b>Average Daily Threshold Count for October</b>	4.40
Sweet Home	1		
<b>Value of Inventory Through October</b>			
Fiction	\$55,120.41		
Non-Fiction	\$34,834.45	<b>Books added to inventory in October</b>	51
Total	\$86,954.86		

### Updates

We had a total of 88 visitors with an average of 4.4 per day. 58 items were checked out in the month of October and 15 were renewed. 4 library cards were issued to new patrons.

We added 51 books to the collection in September. We received a donation of Spanish books from the Sweet Home library that will be in circulation soon.

Banned Book Week and the Halloween art workshop both went well. I am currently planning events for the Holiday season.

I am working on an application for the Accessible Small and Rural Communities grant from ALA. We could potentially receive \$10,000 to \$20,000 to use towards making our library more accessible to people with disabilities. If we win this grant, I would like to use it to join Libby. I am currently researching grants to go toward expanding the library.

We are hosting a food drive at the library to benefit Sharing Hands. We are accepting non-perishable foods at the library and city hall will be accepting perishable foods.



**I. REPORTS TO COUNCIL**

<b>2. Council Reports</b>		
<b>a. Sharing Hands</b>		
<b>Council Action:</b>	<b><i>NONE</i></b>	<b>November 14, 2023</b>

Councilor Lorensen also serves on the board of Sharing Hands. He may provide an update to the Council.

## I. REPORTS TO COUNCIL

<b>2. Council Reports</b>		
<b>b. Central Linn School District</b>		
<b>Council Action:</b>	<b><i>NONE</i></b>	<b>November 14, 2023</b>

Councilor Isom is attending Central Linn School Board meetings as a liaison for the city. She may provide an update to the Council.

## I. REPORTS TO COUNCIL

<b>2. Council Reports</b>		
<b>c. Oregon Cascades West Council of Governments Board</b>		
<b>Council Action:</b>	<b><i>NONE</i></b>	<b>November 14, 2023</b>

Councilor Romer is attending Oregon Cascades West Council of Governments Board as the representative for Halsey. He may provide an update to the Council.

## L. NEW BUSINESS

### 1. OLCC License Recommendations

**Council Action:** ***MOTION***

**April 11, 2023**

**Issue Statement:** Council must approve or deny the OLCC liquor licenses by The Honey Hole Bar and Grill (formerly Julie's Halsey Tavern.)

**Summary:** If you want to refuse an application, please see the attached list of reasons a license may be denied or restricted. Loss of a liquor license may put a local business out of business, so the OLCC requires a good faith basis on specific criteria if you recommend a denial.

=

- **Possible Motion:** I move that the Governing Body of the City of Halsey approve the liquor license application for The Honey Hole Bar and Grill (formerly Julie's Halsey Tavern.)

- **Council Options**
  1. Approve as recommended
  2. Approve with amendments
  3. Provide further direction to staff
  4. Deny request



# OREGON LIQUOR & CANNABIS COMMISSION BUSINESS INFORMATION

Please Print or Type

Applicant Name: Faux Farms LLC Phone: (801) 623-8439

Trade Name (dba): The Honey Hole Bar & Grill

Business Location Address: 10 W 1st St.

City: Halsey ZIP Code: 97348

## DAYS AND HOURS OF OPERATION

Business Hours:

Outdoor Area Hours: N/A

The outdoor area is used for:

Sunday \_\_\_\_\_ to \_\_\_\_\_  
Monday 11 AM to 10 PM  
Tuesday 11 AM to 10 PM  
Wednesday 11 AM to 10 PM  
Thursday 11 AM to 10 PM  
Friday 11 AM to 12 AM

Sunday \_\_\_\_\_ to \_\_\_\_\_  
Monday \_\_\_\_\_ to \_\_\_\_\_  
Tuesday \_\_\_\_\_ to \_\_\_\_\_  
Wednesday \_\_\_\_\_ to \_\_\_\_\_  
Thursday \_\_\_\_\_ to \_\_\_\_\_  
Friday \_\_\_\_\_ to \_\_\_\_\_

☐ Food service Hours: \_\_\_\_\_ to \_\_\_\_\_

☐ Alcohol service Hours: \_\_\_\_\_ to \_\_\_\_\_

☐ Enclosed, how \_\_\_\_\_

The exterior area is adequately viewed and/or supervised by Service Permittees.

Saturday 11 AM to 12 AM

Saturday \_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_  
(Investigator's Initials)

Seasonal Variations: ☐ Yes ☒ No If yes, explain: \_\_\_\_\_

## ENTERTAINMENT

Check ALL that apply:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Live Music                         | <input checked="" type="checkbox"/> Karaoke                |
| <input type="checkbox"/> Recorded Music                                | <input type="checkbox"/> Coin-operated Games               |
| <input type="checkbox"/> DJ Music                                      | <input checked="" type="checkbox"/> Video Lottery Machines |
| <input type="checkbox"/> Dancing <input type="checkbox"/> Nude Dancing | <input type="checkbox"/> Social Gaming                     |
| <input type="checkbox"/> Live Entertainment                            | <input checked="" type="checkbox"/> Pool Tables            |
| <input type="checkbox"/> Minor Entertainers                            | <input type="checkbox"/> Other: _____                      |

\*Minor Entertainers in an area prohibited to minors need prior approval from the OLCC

## DAYS & HOURS OF LIVE OR DJ MUSIC

Sunday \_\_\_\_\_ to \_\_\_\_\_  
Monday \_\_\_\_\_ to \_\_\_\_\_  
Tuesday \_\_\_\_\_ to \_\_\_\_\_  
Wednesday \_\_\_\_\_ to \_\_\_\_\_  
Thursday \_\_\_\_\_ to \_\_\_\_\_  
Friday 7pm to 10pm  
Saturday 7pm to 10pm

## SEATING COUNT

Restaurant: 37 Outdoor: \_\_\_\_\_ Lounge: \_\_\_\_\_  
Banquet: \_\_\_\_\_ Other (explain): Bar 8 Total Seating: 45

OLCC USE ONLY

Investigator Verified Seating: \_\_\_\_\_ (Y) \_\_\_\_\_ (N)

Investigator Initials: \_\_\_\_\_

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

I understand if my answers are not true and complete, the OLCC may deny my license application.

Applicant Signature: [Signature] Date: 10/29/2023

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

Rev: 2.1.23



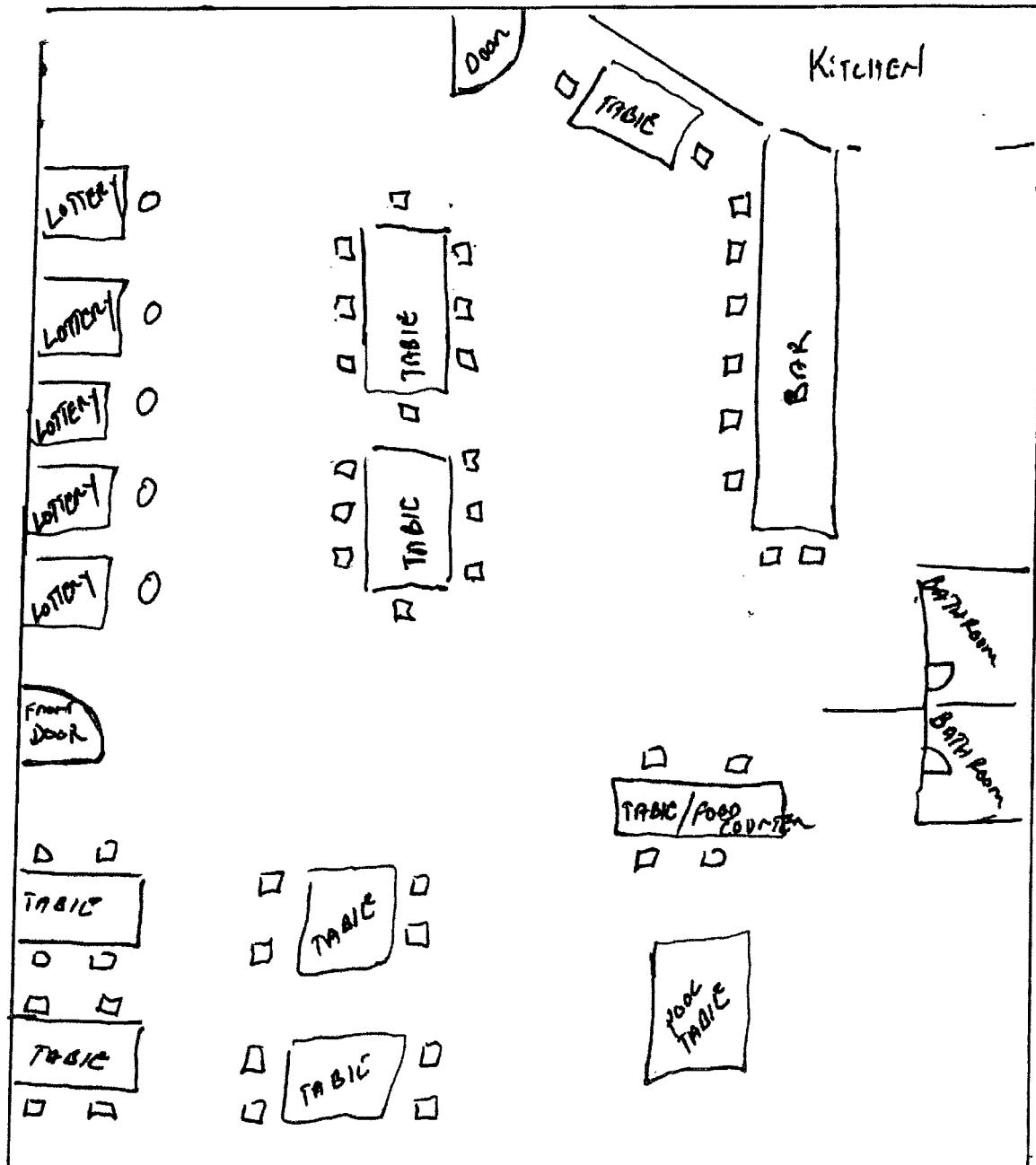
# OREGON LIQUOR & CANNABIS COMMISSION

## FLOOR PLAN FORM

Your floor plan must be submitted on this form

Faux Farms LLC  
Applicant Name

THE HONEY HOLE BAR & GRILL  
Trade Name (dba)



.....OLCC USE ONLY.....  
MINOR POSTING ASSIGNMENT(S)

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




# OREGON LIQUOR & CANNABIS COMMISSION FLOOR PLAN

## INSTRUCTIONS

1. Your floor plan **MUST** be submitted on the Floor Plan Form below
2. Use a separate Floor Plan Form for each level or floor of the building. The floor plan(s) must show the specific areas of your premises.
3. Label areas i.e. dining area, bar, lounge, lottery, outside patio and sidewalk cafe areas.
4. Food Counters should be labeled as such, and not as a Bar. At a Food Counter, food service/consumption is the predominant activity. At a Bar, alcohol service/consumption is the predominant activity. Please label Food Counters and Bars accordingly.
5. Include all tables and chairs. (See Example below)
6. If you have an outdoor area, please show it in reference to the licensed building.
7. If you have sidewalk seating please contact your local government to see if a permit is required for use.
8. If this is a Food Cart Pod please label the floor plan where the alcohol will be served from, where food will be served, where the seating will be and any other food carts that are in the pod.

Please do not use complex architect drawings as your floor plan, unless they are clearly readable and show all the tables and chairs.

## RESTAURANT EXAMPLE

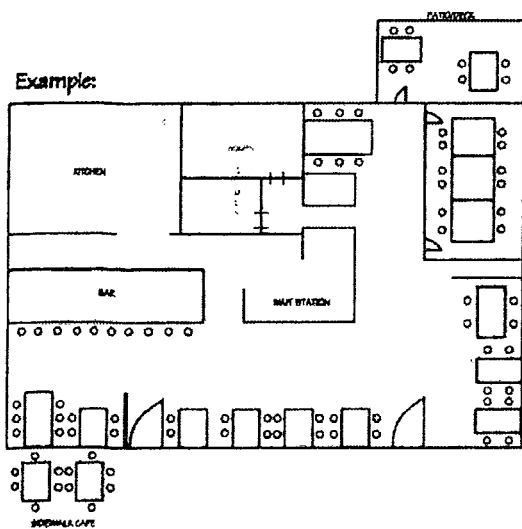
**OREGON LIQUOR & CANNABIS COMMISSION  
FLOOR PLAN FORM**

Your floor plan must be submitted on this form

My Restaurant LLC  
Applicant Name

My Restaurant  
Trade Name (if any)

**Example:**




Labels in diagram: KITCHEN, MAIN STATION, BAR, DINING AREA, PATIO/SEATING, SIDEWALK CAFE.

OLCC USE ONLY  
MAJOR POSTING ASSIGNMENT(S)

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

Rev. 02/21

## FOOD CART POD EXAMPLE

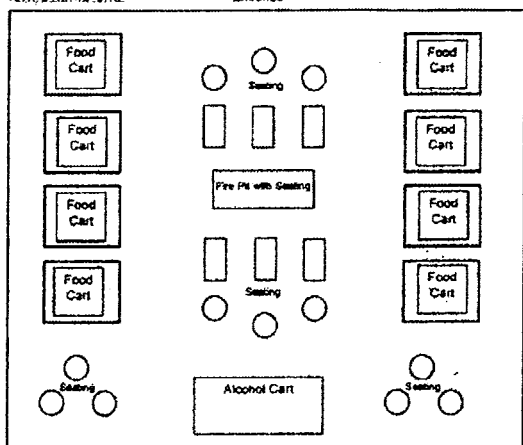
**OREGON LIQUOR & CANNABIS COMMISSION  
FLOOR PLAN FORM**

Your floor plan must be submitted on this form

Food Carts LLC  
Applicant Name

Everyday Food Cart Pod  
Trade Name (if any)

Entrance



Labels in diagram: Food Cart, Seating, Fire Pit with Seating, Alcohol Cart.

OLCC USE ONLY  
MAJOR POSTING ASSIGNMENT(S)

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

Rev. 02/21





**FULL ON-PREMISES, COMMERCIAL (F-COM)  
FULL ON-PREMISES, FOR-PROFIT PRIVATE CLUB (F-FPC)  
FOOD SERVICE AFFIRMATION**

Applicant / Licensee Faux Farms LLC / Lisa L. Lane

Trade Name of the Business (Name Customers Will See)

The Honey Hole Bar & Grill

Business Address 10 W 1st St. Halsey, 97348  
(Number, Street Address, City, and Zip Code)

I affirm that I have read OR 845-006-0459, OR 845-006-0460, and OR 845-006-0466 and

I affirm:

- I understand that "meal" means a food item, or combination of food items, prepared or cooked on the licensed premises that the Commission determines is a main course and is a serving of food sufficient to satisfy the appetite of one individual. Food items that are appetizers, snacks, and desserts do not qualify as a meal. Examples include, but are not limited to, popcorn, peanuts, chips, a serving of food that is not sufficient to satisfy the appetite of one individual, and food items offered by the licensee as other than a meal.
- I understand that "dining seats" means seating at tables or food counters as defined in OR 845-006-0340(2)(j) located in areas of the licensed premises regularly open to the public where the Commission determines that each table top or seating area provides a minimum space that will accommodate a place setting consisting of a plate or dish, glassware, napkin and utensils for each seat. Seats at counters in entertainment areas and at bars as defined in OR 845-006-0340 do not qualify as dining seating.
- I will have at least 30 dining seats during a time period which must last at least two hours prior to 10:00 p.m.
- I will make at least five different meals available at all times and in all areas where alcohol service is available. However, I may make fewer than five different meals available if the OLCC has determined that the clearly dominant emphasis in the areas with alcoholic beverage service is food service.
- I will always have a food preparation area and equipment on my licensed premises that are adequate to meet the food service requirements of this license.
- I am authorized to sign this form on behalf of the applicant or licensee.

Name (print) Lisa L. Lane Date 10/29/2023

Signature *Lisa Lane*

# LIQUOR LICENSE APPLICATION

Page 4 of 4

- Each applicant listed in the "Application Information" section of this form has read and understands OAR 845-006-0362 and attests that:

1. Upon licensure, each licensee is responsible for the conduct of others on the licensed premises, including in outdoor areas.
2. The licensed premises will be controlled to promote public safety and prevent problems and violations, with particular emphasis on preventing minors from obtaining or consuming alcoholic beverages, preventing over-service of alcoholic beverages, preventing open containers of alcoholic beverages from leaving the licensed premises unless allowed by OLCC rules, and preventing noisy, disorderly, and unlawful activity on the licensed premises.

I attest that all answers on all forms and documents, and all information provided to the OLCC as a part of this application, are true and complete.

<u>Lisa L. Lane</u> Print name	<u>[Signature]</u> Signature	<u>10/29/2023</u> Date	_____ Atty. Bar Info (if applicable)
<u>Tim F. Brandner</u> Print name	<u>[Signature]</u> Signature	<u>10/29/23</u> Date	_____ Atty. Bar Info (if applicable)
_____ Print name	_____ Signature	_____ Date	_____ Atty. Bar Info (if applicable)
_____ Print name	_____ Signature	_____ Date	_____ Atty. Bar Info (if applicable)

# LIQUOR LICENSE APPLICATION

Page 3 of 4

**APPLICATION CONTACT INFORMATION** – Provide the point of contact for this application. If this individual is not an applicant or licensee, the Authorized Representative section must be filled in and the appropriate permission(s) must be selected.

Application Contact Name:

Lisa L. Lane

Phone number:

(801) 623-8439

Email:

fauxfarmsllc@gmail.com

## TERMS

- "Real property" means the real estate (land) and generally whatever is erected or affixed to the land (for example, the building) at the business address.
- "Common area" is a privately owned area where two or more parties (property tenants) have permission to use the area in common. Examples include the walking areas between stores at a shopping center, lobbies, hallways, patios, parking lots, etc. An area's designation as a "common area" is typically identified in the lease or rental agreement.

## ATTESTATION – OWNERSHIP AND CONTROL OF THE BUSINESS AND PREMISES

- Each applicant listed in the "Application Information" section of this form has read and understands OAR 845-005-0311 and attests that:
  1. At least one applicant listed in the "Application Information" section of this form has the legal right to occupy and control the real property proposed to be licensed as shown by a property deed, lease, rental agreement, or similar document.
  2. No person not listed as an applicant in the "Application Information" section of this form has an ownership interest in the business proposed to be licensed, unless the person qualifies to have that ownership interest waived under OAR 845-005-0311.
  3. The licensed premises at the premises street address proposed to be licensed either:
    - a. Does not include any common areas; or
    - b. Does include one or more common areas; however, only the applicant(s) have the exclusive right to engage in alcohol sales and service in the area to be included as part of the licensed premises.
      - In this circumstance, the applicant(s) acknowledges responsibility for ensuring compliance with liquor laws within and in the immediate vicinity of the licensed premises, including in portions of the premises that are situated in "common areas" and that this requirement applies at all times, even when the business is closed.
  4. The licensed premises at the premises street address either:
    - a. Has no area on property controlled by a public entity (like a city, county, or state); or
    - b. Has one or more areas on property controlled by a public entity (like a city, county, or state) and the public entity has given at least one of the applicant(s) permission to exercise the privileges of the license in the area.

# LIQUOR LICENSE APPLICATION

Page 2 of 4

## APPLICANT INFORMATION

Identify the applicants applying for the license. This is the entity (example: corporation or LLC) or individual(s) applying for the license. Please add an additional page if more space is needed.

Name of entity or individual applicant #1:

Faux Farms LLC

Name of entity or individual applicant #2:

Lisa L. Lane

Name of entity or individual applicant #3:

TIMOTHY F. BRANDVOLD

Name of entity or individual applicant #4:

## BUSINESS INFORMATION

Trade Name of the Business (name customers will see):

The Honey Hole Bar & Grill

Premises street address (The physical location of the business and where the liquor license will be posted):

10 W 1st Street

City:

Halsey

Zip Code:

97348

County:

Linn

Business phone number:

(541) 369-2400

Business email:

fauxfarmsllc@gmail.com

Business mailing address (where we will send any items by mail as described in OAR 845-004-0065(1).):

8840 Fruit Farm Rd

City:

Independence

State:

OR

Zip Code:

97351

Does the business address currently have an OLCC liquor license? ☒ Yes ☐ No

Does the business address currently have an OLCC marijuana license? ☐ Yes ☒ No

**AUTHORIZED REPRESENTATIVE** – A liquor applicant or licensee may give a representative authorization to make changes to the license or application on behalf of the licensee or to receive information about a license or application.

I give permission for the below named representative to:

☒ Make changes regarding this license/application on my behalf.

☒ Sign application forms regarding this license/application on my behalf.

☒ Receive information about the status of this application, including information about pending compliance action or communications between OLCC and the licensee/applicant.

Representative Name:

Lisa L. Lane

Phone number:

(801) 623-8439

Email:

fauxfarmsllc@gmail.com

Mailing address:

8840 Fruit Farm Rd

City:

Independence

State:

OR

Zip Code:

97351

# LIQUOR LICENSE APPLICATION

Page 1 of 4

Check the appropriate license request option:

☐ New Outlet | ☒ Change of Ownership | ☐ Greater Privilege | ☐ Additional Privilege

Select the license type you are applying for.

More information about all license types is available [online](#).

## Full On-Premises

- ☒ Commercial
- ☐ Caterer
- ☐ Public Passenger Carrier
- ☐ Other Public Location
- ☐ For Profit Private Club
- ☐ Nonprofit Private Club

## Winery

- ☐ Primary location
- Additional locations: ☐ 2nd ☐ 3rd ☐ 4th ☐ 5th

## Brewery

- ☐ Primary location
- Additional locations: ☐ 2nd ☐ 3rd

## Brewery-Public House

- ☐ Primary location
- Additional locations: ☐ 2nd ☐ 3rd

## Grower Sales Privilege

- ☐ Primary location
- Additional locations: ☐ 2nd ☐ 3rd

## Distillery

- ☐ Primary location
- Additional tasting locations: (Use the DISTT form HERE)

## ☐ Limited On-Premises

## ☐ Off Premises

## ☐ Warehouse

## ☐ Wholesale Malt Beverage and Wine

## LOCAL GOVERNMENT USE ONLY

### LOCAL GOVERNMENT:

After providing your recommendation, return this application to the applicant WITH the recommendation marked below

City OR County name: (not both)

(Please specify city OR county)

Date application received:

Optional: Date Stamp Received Below

CITY OF HALSEY

OCT 30 2013

RECEIVED

- ☐ Recommend this license be granted
- ☐ Recommend this license be denied
- ☐ No Recommendation/Neutral

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

Trade Name

**L. New Business**

<b>2. A Donation to the Central Linn Community Foundation</b>		
<b>Council Action:</b>	<b><i>MOTION</i></b>	<b>November 14, 2023</b>

**Issue Statement: The Council is asked to consider a donation opportunity to the Central Linn Community Foundation**

- **Possible Motion:** I move that the Governing Body of the City of Halsey donate to the Central Linn Community Foundation for \$500.00

- **Council Options**
  - 1. Approve as recommended**
  - 2. Approve with amendments**
  - 3. Provide further direction to staff**
  - 4. Deny request**



**CENTRAL LINN**  
COMMUNITY FOUNDATION



P.O. Box 4  
Brownsville, OR 97327

November 28, 2022

Mayor Jerry Lachenbruch and  
Halsey City Council Members  
P.O. Box 10  
Halsey, OR 97348

Dear Mayor and Councilors,

It's that time of year again when the Central Linn Community Foundation asks you for a donation so that we can continue giving grants to community organizations in the Central Linn area to promote the well being of this area. We very much appreciated your donation last year of \$500. This year's grants were awarded in May and totaled \$7,500. Grantees included the following:

- Central Linn Elementary School Parent Teacher Club – for playground equipment.
- Central Linn Recreation Center – for their baseball program.
- Brownsville Garden Club – for the flower barrels in downtown Brownsville.
- Sharing Hands – for a furnace.
- Calapooia Food Alliance – for their power of produce program.
- Central Linn Gleaners – for operating costs, fuel, and other expenses.
- Linn County Pioneer Association – for upgrades to their computer system.

We would appreciate any support your can donate. Funds will go toward the 2024 grants.

Thanks for your assistance.

Regards,

Chenoweth Robertson, Secretary



<b>3. Adopt the terms of the Wastewater planning agreement loan.</b>		
<b>Council Action:</b>	<b><i>MOTION</i></b>	<b>November 14, 2023</b>

**Issue Statement:** Council is asked to consider accepting terms of the Wastewater planning loan of a \$100,000.00 that is forgivable.

➤ **Possible Motion:** I move that the Governing Body of the City of Halsey adopt the terms of the DEQ wastewater planning loan.

- **Council Options**

1. Approve as recommended
2. Approve with amendments
3. Provide further direction to staff
4. Deny request

**CLEAN WATER STATE REVOLVING FUND  
LOAN AGREEMENT  
No. R40670**

**BETWEEN**

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

**AND**

**CITY OF HALSEY**

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. R40670.

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:** City of Halsey

**(B) BORROWER'S ADDRESS:** 100 Halsey Street  
P.O. Box 10  
Halsey, Oregon 97348

**(C) LOAN AMOUNT:** \$100,000.

**(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:** Wastewater Facility Planning Update

**(F) DESCRIPTION OF THE PROJECT:** The Borrower will inventory and evaluate its current wastewater system and create a wastewater facilities plan (WWFP). The WWFP will include information on the waste treatment plant (WTP) and collection systems' current conditions, future capacity needs, wastewater flows, prioritized improvement projects and financial viability. The study will include evaluation of solar energy at lift stations and the WTP.

**(G) INTEREST RATE:** Zero and 89/100 percent (0.89%) 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 \$100,000, 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, 2024. The Borrower agrees to complete the Project by the estimated Completion Date.

(11) The estimated total Costs of the Project are \$100,000

(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 December 31, 2023, 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: CITY OF HALSEY**

By: Wes Hare 10/05/2023  
Authorized Officer Date

Typed Name: Wes Hare

Title: City Administrator

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

By: Michael E. Kucinski 10/12/2023  
Michael E. Kucinski, Deputy Water Quality Administrator Date



**APPENDIX A: REPAYMENT SCHEDULE**

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

BORROWER:	City of Halsey	ANNUAL INTEREST RATE:	0.89%
SRF LOAN NO.:	R40670	TERM IN YEARS:	5
LOAN AMOUNT:	\$ 100,000	PAYMENT AMOUNT:	\$ 0.00
		ANNUAL FEE:	0.0%

Due Date	Pmt#	----- PAYMENT -----				Principal Balance
		Principal	Interest	Fees	Total	
			PF Applied			0
6/1/2025	1	0	0	0	0	0
12/1/2025	2	0	0	0	0	0
6/1/2026	3	0	0	0	0	0
12/1/2026	4	0	0	0	0	0
6/1/2027	5	0	0	0	0	0
12/1/2027	6	0	0	0	0	0
6/1/2028	7	0	0	0	0	0
12/1/2028	8	0	0	0	0	0
6/1/2029	9	0	0	0	0	0
12/1/2029	10	0	0	0	0	0
TOTALS		0	0	0	0	
REQUIRED LOAN RESERVE:		\$ 0				

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

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

Borrower:	City of Halsey						
Loan #:	R40670						
Int. Rate:	0.89%						
1st Pmt:	6/1/2025						
Date Calculated:					10/4/2023		
							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	25,000	25,000	0	12/1/2023	548	0.00
2	Estimate	25,000	25,000	0	2/1/2024	486	0.00
3	Estimate	25,000	25,000	0	4/1/2024	426	0.00
4	Estimate	25,000	25,000	0	6/1/2024	365	0.00
Total		100,000	100,000	0			0.00

### 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)

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**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	<u>Wes Hare</u>
Title	<u>City Administrator</u>
Date	<u>10/02/2023</u>
Recipient	<u></u>






# City of Halsey Planning Loan Agreement\_R40670 signed 2

Final Audit Report

2023-10-12

Created:	2023-10-12
By:	Oscar Orejel (oscar.orejel@deq.oregon.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAA2tThaOiK76_voOOXJdnS_E6z_EcWMMzT

## "City of Halsey Planning Loan Agreement\_R40670 signed 2" History

-  Document created by Oscar Orejel (oscar.orejel@deq.oregon.gov)  
2023-10-12 - 10:30:46 PM GMT- IP address: 159.121.206.56
-  Document emailed to Michael KUCINSKI (michael.kucinski@deq.oregon.gov) for signature  
2023-10-12 - 10:31:38 PM GMT
-  Email viewed by Michael KUCINSKI (michael.kucinski@deq.oregon.gov)  
2023-10-12 - 10:35:10 PM GMT- IP address: 24.22.3.201
-  Document e-signed by Michael KUCINSKI (michael.kucinski@deq.oregon.gov)  
Signature Date: 2023-10-12 - 10:37:39 PM GMT - Time Source: server- IP address: 24.22.3.201
-  Agreement completed.  
2023-10-12 - 10:37:39 PM GMT





**L. New Business**

<b>4. Adopt terms of the Wastewater project agreement loan.</b>		
<b>Council Action:</b>	<b><i>MOTION</i></b>	<b>November 14, 2023</b>

**Issue Statement:** The Council is asked to consider accepting the terms of the Clean Water State Revolving Fund loan for the Well 69 project that is 50% forgivable.

- **Possible Motion:** I move that the Governing Body of the City of Halsey adopt the terms of the Well 69R Project.
- **Council Options**
  1. Approve as recommended
  2. Approve with amendments
  3. Provide further direction to staff
  4. Deny request

**CLEAN WATER STATE REVOLVING FUND  
LOAN AGREEMENT  
No. R40671**

**BETWEEN**

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

**AND**

**CITY OF HALSEY**

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**THIS LOAN AGREEMENT (“Agreement”)** is made and entered into as of the date (“**Effective 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 9 of this Loan Agreement. The reference number for the Loan made pursuant to this Loan Agreement is Loan No. R40671.

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:** City of Halsey

**(B) BORROWER'S ADDRESS:** 100 Halsey Street  
P.O. Box 10  
Halsey, Oregon 97348

**(C) LOAN AMOUNT:** \$330,000

**(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:** Halsey Inflow and Infiltration Rehabilitation Wastewater System Improvements

**(F) DESCRIPTION OF THE PROJECT:** In this design and construction loan the borrower has identified priority pipe rehabilitation projects to address inflow and infiltration through an I&I study that was recently performed. This will include 21 pipe patches and two pipe linings. The two pipe lining replacements may include digging a new trench, in the existing footprint of the wastewater system. All repairs would be made through existing manholes, and the two pipe linings would be repaired using the cure-in-place process.

**(G) INTEREST RATE:** Two and 57/100 (2.57%) 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) thirty (30) years after the Completion Date or (b) thirty (30) 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 within 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 DEQ a security interest in and irrevocably pledges its Net Revenues to secure payment of and to pay the amounts due under this Loan Agreement. The Net 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 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 Revenues superior to or on a parity with the pledge herein granted without the written permission of DEQ. The lien of this pledge is on a parity with the liens securing all other CWSRF loans between DEQ and the Borrower; provided, however, that this provision shall not affect the priority that prior CWSRF loans are entitled to in relation to any loans between Borrower and any third parties

**(K) ANNUAL FEE:** An annual fee of 0.5% of the Outstanding Loan Amount (as determined prior to the posting of the payment due on that date) is due during the Repayment Period commencing with the second payment date hereunder and annually thereafter.

**(L) LOAN FORGIVENESS:** If the Borrower completes the Project, and provided there is no default of any of the terms hereof, DEQ shall forgive fifty percent (50%) of the Loan or \$165,000, 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, 286A, 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. Furthermore, DEQ’s obligation to make any disbursement hereunder shall terminate on December 31, 2024.

**(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 materials and labor furnished to and performed upon the Project, including, without limitation, invoices, verified contractor's pay requests, receipts, and other evidence that DEQ may require in its sole discretion (collectively, "Cost Documentation"). DEQ will disburse funds to pay Project costs only after the Borrower has provided Cost Documentation satisfactory to DEQ that such Project costs have been incurred (whether or not already paid by Borrower) and qualify for reimbursement under this Agreement and CWSRF Program Rules.

**(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, items not built or bought, unacceptable work and other discrepancies. Nothing in this Agreement requires DEQ to pay any amount for labor or materials unless DEQ is satisfied that the claim therefor is reasonable and that the Borrower actually expended and used such labor or materials in 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.

**(4) Contract Retainage Disbursement.** DEQ will not disburse Loan proceeds to cover contractor retainage unless the Borrower is disbursing retainage to an escrow account and provides proof of the deposit, or until the Borrower provides proof that it paid retained funds to the contractor.

**(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.

**(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.

(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, except as otherwise expressly provided herein, 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 (a) thirty (30) years after the Completion Date or (b) thirty (30) years after the estimated Completion Date set forth in ARTICLE 3(A)(10), whichever date is earlier.

**(G) PREPAYMENT.**

(1) Optional Prepayment. The Borrower may prepay any amount owed on this Loan without penalty on any business day upon 30 days 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. Any mandatory prepayment under this ARTICLE 2(G)(2) will be applied in accordance with ARTICLE 2(F)(4).

(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 public agency (as defined in ORS 468.423(4)) and has full power and authority 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 and the Project, other than licenses and permits relating to the Facility or the Project 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, 2024. The Borrower agrees to complete the Project by the estimated Completion Date.

(11) The estimated total Costs of the Project are \$380,000

(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 November 30, 2023, 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 G, 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 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 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 Revenues without DEQ's prior written approval, which approval may be withheld for any reason. Upon sale, transfer or encumbrance of the Facility or the Project, 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 at APPENDIX D, the equal employment opportunity provisions in APPENDIX F, and the regulations of the U.S. Environmental Protection Agency, all as they may be amended from time to time.

(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, maintenance and replacement of the Project 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 Internal Revenue Code of 1986, as amended (the "Code"). However, 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 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.

(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 Revenues unencumbered resources in an amount equal to the revenue deficiency from the Facility that produces the Net 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 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. The Loan reserve requirement equals one-half of the average annual debt service based on the final Payment Schedule. Until the Final

Loan Amount is calculated, the Loan reserve requirement is \$7,394. 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 DEQ a security interest in and irrevocably pledges amounts in 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 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, labor performed and materials furnished in and about 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) Accounting for Costs of the Project. Borrower shall provide to DEQ, 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.

(4) Single Audit Requirements. The CWSRF Program receives capitalization grants through the Catalog of Federal Domestic Assistance ("CFDA") No. 66.458: Capitalization Grants for State Revolving Funds and is subject to the regulations of the U.S. Environmental Protection Agency ("EPA"). Borrower is a sub-recipient.

(a) Subrecipients receiving federal funds in excess of \$750,000 in the subrecipient's fiscal year are subject to audit conducted in accordance with the provisions of 2 CFR part 200, subpart F. The Borrower, if subject to this requirement, shall at its own expense submit to DEQ a copy of, or electronic link to, its annual audit subject to this requirement covering the funds expended under this Agreement and shall submit or cause to be submitted to DEQ the annual audit of any subrecipient(s), contractor(s), or subcontractor(s) of the Borrower responsible for the financial management of funds received under this Agreement.

(b) Audit costs for audits not required in accordance with 2 CFR part 200, subpart F are unallowable. If the Borrower did not expend \$750,000 or more in Federal funds in its fiscal year, but contracted with a certified public accountant to perform an audit, costs for performance of that audit shall not be charged to the funds received under this Agreement.

(c) The Borrower shall save, protect and hold harmless DEQ from the cost of any audits or special investigations performed by the Federal awarding agency or any federal agency with respect to the funds expended under this Agreement. The Borrower acknowledges and agrees that any audit costs incurred by the Borrower as a result of allegations of fraud, waste or abuse are ineligible for reimbursement under this or any other agreement between the Borrower and the State of Oregon.

**(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), and shall cause each contract awarded by its prime contractor(s) to include, language to the following effect (the exact language may vary):

(1) A prime contractor must 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 employ the Six Good Faith Efforts as described in 40 C.F.R. 33.301 if soliciting 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) CONTRACT LANGUAGE.** The Borrower shall include in all contracts (unless exempt) with its prime contractor(s) the language set forth in APPENDIX F. Further, the Borrower agrees to fully comply with Subpart C of 2 C.F.R. 180 and Subpart C of 2 C.F.R. 1532 regarding debarment and suspension and agrees to include or cause to be included in any contract at any tier the requirement that a contractor comply with Subpart C of 2 C.F.R. 180 and Subpart C of 2 C.F.R. 1532 if the contract is expected to equal or exceed \$25,000.

**(I) 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: REPRESENTATIONS, WARRANTIES, COVENANTS AND CONDITIONS RELATING TO CONSTRUCTION PROJECTS ONLY**

**(A) THE BORROWER’S REPRESENTATION AND WARRANTY REGARDING COSTS ALREADY INCURRED.**

(1) The Borrower represents and warrants to DEQ that, as of the date of this Loan Agreement, the Costs of the Project actually incurred by the Borrower do not exceed

-zero-.

(2) The Borrower acknowledges that DEQ is relying upon the Borrower's representation regarding the amount of Costs of the Project incurred by the Borrower for construction prior to the date of this Loan Agreement as set forth in ARTICLE 6(A)(1) above to determine what portion of the Loan qualifies as a "refinancing" under the EPA's Clean Water State Revolving Fund regulations, 40 C.F.R. Part 35, that may be disbursed on a reimbursement basis.

**(B) CONDITION TO DISBURSEMENTS.** DEQ's obligation to make disbursements hereunder is further conditioned on the following:

(1) The Borrower's plans, specifications and related documents for the Project shall be reviewed and approved by DEQ, as required by OAR Chapter 340, Division 054.

(2) The Borrower has submitted documentation satisfactory to DEQ that the disbursement is for work that complies with plans, specifications, change orders and addenda approved by DEQ, in accordance with OAR Chapter 340, Division 054.

(3) The Borrower has submitted a copy of the awarded contract and bid documents (including a tabulation of all bids received) to DEQ for the portion of the Project costs that will be funded with the disbursement.

**(C) GENERAL PROVISIONS.** The Borrower covenants with DEQ that:

(1) Construction Manual. Unless stated otherwise in this Agreement, the Borrower shall comply with the requirements set forth in the Manual as in effect from time to time. DEQ will provide the Borrower with a copy of the Manual upon request.

(2) Plans and Specifications. The Borrower shall obtain DEQ's review and approval of the Borrower's plans, specifications, and related documents for the Project, as required by OAR Chapter 340, Division 054, prior to any disbursement of Loan proceeds hereunder.

(3) Change Orders. The Borrower shall submit all change orders to DEQ. The Borrower must submit prior to its execution any change order that exceeds \$100,000 or will alter Project performance. The Borrower shall not use any Loan proceeds to pay for costs of any change order that DEQ has not approved in writing. This ARTICLE 6(C)(3) shall not prevent the Borrower from using funds other than Loan proceeds to pay for a change order before DEQ approves it, but the Borrower bears the risk that DEQ will not approve the change order.

(4) Inspections; Reports. The Borrower shall provide inspection reports during the construction of the Project as required by DEQ to ensure that the Project complies with approved plans and specifications. Qualified inspectors shall conduct these inspections under the direction of a registered civil, mechanical or electrical engineer, whichever is appropriate. DEQ or its representative(s) may enter property owned or controlled by the Borrower to conduct interim inspections and require progress



reports sufficient to determine compliance with approved plans and specifications and with the Loan Agreement, as appropriate.

(5) Asbestos and Other Hazardous Materials. The Borrower shall ensure that only persons trained and qualified for removal of asbestos or other Hazardous Materials will remove any asbestos or Hazardous Materials, respectively, which may be part of this Project.

(6) Operation and Maintenance Manual. The Borrower shall submit to DEQ a draft Facility operation and maintenance manual before the Project is fifty percent (50%) complete. The Borrower shall submit to DEQ a final Facility operation and maintenance manual that meets DEQ's approval before the Project is ninety percent (90%) complete.

(7) Project Performance Certification. The Borrower shall submit to DEQ draft performance standards before the Project is fifty percent (50%) complete. The Borrower shall submit to DEQ final performance standards that meet DEQ's approval before the Project is ninety percent (90%) complete. The Borrower shall submit to DEQ the following done in accordance with the Manual: (i) no later than 10.5 months after the Initiation of Operation (as that term is defined in OAR 340-054-0010(26)), a performance evaluation report based on the approved performance standards; (ii) within one year after the Project's Initiation of Operation, Project performance certification statement; and (iii) within two (2) months of submission of such Project performance certification statement, a corrective action plan for any Project deficiencies noted in said statement.

(8) Alterations After Completion. The Borrower shall not materially alter the design or structural character of the Project after completing the Project without DEQ's written approval.

(9) Project Initiation of Operations.

(a) The Borrower shall notify DEQ of the Initiation of Operation no more than thirty (30) days after the actual Project Completion Date.

(b) If the Project is completed, or is completed except for minor items, and the Project is operable, but DEQ has not received a notice of Initiation of Operation from the Borrower, DEQ may assign an Initiation of Operation date.

**(D) PROVISION APPLICABLE TO CONTRACTS AND SUBCONTRACTS AWARDED FOR THE PROJECT**

(1) Davis-Bacon Requirements. All contracts and subcontracts awarded as part of the Project shall comply with (1) the wage requirements of the Davis-Bacon Act, as amended, 40 U.S.C. §§3141 to 3144, 3146 and 3147 (2002), and (2) the requirements of the *Prevailing Wage Rates for Public Works Projects in Oregon* established under ORS 279C.800 through 279C.870 and OAR 839-025-0000 through 839-025-0540. The Borrower agrees that it will insert into any contract in excess of \$2,000 for construction, and will cause its subcontractors to insert in any sub-contract in excess of \$2,000 for

construction, the Davis-Bacon language set forth in Part 1 of APPENDIX E and Part 2 of APPENDIX E as applicable.

(2) Retainage. The Borrower shall require a five percent (5%) retainage in all of its contracts related to the Project for an amount greater than One Hundred Thousand Dollars (\$100,000).

**(E) AMERICAN IRON AND STEEL**  
The Borrower shall:

(1) Comply with all federal requirements applicable to the Loan (including those imposed by the Consolidated Appropriations Act, 2014, P.L. 113-76 (“CAA”), and related CWSRF Policy Guidelines) which the Borrower understands includes, among other, requirements that all of the iron and steel products used in the Project are to be produced in the United States (“American Iron and Steel Requirement”) unless (i) the Borrower has requested and obtained a waiver from the EPA pertaining to the Project or (ii) DEQ has otherwise advised the Borrower in writing that the American Iron and Steel Requirement is not applicable to the Project.

(2) Comply with all record keeping and reporting requirements under the Clean Water Act, 33 U.S.C. 1251 et seq. (1972) (“Clean Water Act”), including any reports required by a Federal agency or DEQ such as performance indicators of program deliverables, information on costs and Project progress. The Borrower understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Clean Water Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity thereof and/or other remedial actions.

(3) Include in all contracts for the Project the language set forth in APPENDIX H. All contracts and subcontracts of Borrower for the Project must have a provision requiring compliance with the American Iron and Steel Requirement. APPENDIX H is an example provided by the EPA of what could be included in all contracts in projects that use CWSRF funds. Neither the EPA nor DEQ makes any claims regarding the legality of this clause with respect to state or local law.

(4) Requirement. All of the iron and steel products used in the Project must be produced in the United States if the Project is for the construction, alteration, maintenance, or repair of a “treatment works” as defined in the federal Water Pollution Control Act, 33 U.S.C. §1381 et seq.

(5) Definition. “Iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(6) Applicability. As to loan agreements fully executed on or after October 1, 2014, the requirement set forth in ARTICLE 6(E)(1) above does not apply if the engineering plans and specifications for the Project were approved by DEQ prior to June 10, 2014.

(7) Waiver. The requirement set forth in ARTICLE 6(E)(1) above does not apply if: (a) application would be inconsistent with the public interest; (2) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or (3) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent. Borrower may apply for a waiver of the requirement set forth in ARTICLE 6(E)(1) above by sending a waiver request directly to EPA with a copy to DEQ or by sending its waiver request to DEQ who will then forward it on to EPA.

#### **ARTICLE 7: 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 MATERIALS SUPPLIED TO AND THAT BECOME A PART OF THE PROJECT, THE QUALITY OF THE WORKMANSHIP 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 inspection or disbursement made by DEQ. Any inspection 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 LABOR OR MATERIALS 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 of labor, materials and construction, 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 defects in the plans, design drawings and specifications 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 verifying cost-effectiveness of the Project, 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 inspections 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 feasibility 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 8: DEFAULT AND REMEDIES**

(A) **EVENTS OF DEFAULT.** The occurrence of one or more of the following events constitutes an event of default (“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) A “land use decision” (as that term is defined by ORS 197.015), a LUCS (as that term is defined under Oregon Administrative Rules Chapter 340, Division 18) or any other permit or approval of any kind that is necessary for the Borrower to either complete the Project or operate the Project is denied, revoked, rescinded or otherwise terminated at any time during the Repayment Period identified in Article 1(H) (in each case, a “Permit Revocation”); or

(7) 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 Net 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; and

(7) Pursue any other legal or equitable remedy it may have.

## ARTICLE 9: DEFINITIONS

(A) **“BORROWER”** means the public agency or agencies (as defined in ORS 468.423(4)) shown as the “Borrower” in Article 1(A) of this Agreement.

(B) **“COMPLETION DATE”** means the date on which the Project is completed. If the Project is a planning project, the Completion Date is the date on which DEQ accepts the planning project. If the Project is a design project, the Completion Date is the date on which the design project is ready for the contractor bid process. If the Project is a construction project, the Completion Date is the date on which the construction project is substantially complete and ready for Initiation of Operation.

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

- (1) Cost of labor and materials and all costs the Borrower is required to pay under the terms of any contract for the design, acquisition, construction or installation of the Project;
- (2) Engineering fees for the design and construction of the Project.
- (3) The costs of surety bonds and insurance of all kinds that may be required or necessary during the course of completion of the Project;
- (4) The legal, financing and administrative costs of obtaining the Loan and completing the Project; and
- (5) Any other costs approved in writing by DEQ.

(D) **“CWSRF PROGRAM” or “CWSRF”** means the Clean Water State Revolving Fund and the Clean Water State Revolving Fund Loan Program, a fund and 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, of which the Project is a part.

(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) **“HAZARDOUS MATERIALS”** means and includes flammable explosives, radioactive materials, asbestos and substances defined as hazardous materials, hazardous substances or hazardous wastes in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended by the Superfund Amendments and Reauthorization Act (42 U.S.C. Section 9601, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. Section 6901, et seq.), and regulations promulgated thereunder.

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

(L) **“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.

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

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

(O) **“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.

(P) **“MANUAL”** means the CWSRF Manual for Construction Projects.

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

(R) **“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.

(S) **“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.

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

(U) “**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 thirty (30) years after the Completion Date.

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

#### **ARTICLE 10: 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 St., #600  
Portland, Oregon 97235  
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 10(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 10(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 10(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.

**CITY OF HALSEY**

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

\_\_\_\_\_  
Date

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

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

By: \_\_\_\_\_  
Michael E. Kucinski,  
Deputy Water Quality Administrator

\_\_\_\_\_  
Date

# **APPENDIX A: PRELIMINARY REPAYMENT SCHEDULE**

## OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM **REPAYMENT SCHEDULE**

BORROWER:		City of Halsey		INTEREST RATE:		2.57%
SRF LOAN NO.:		R40671		TERM IN YEARS:		30
LOAN AMOUNT:		\$ 330,000		PAYMENT AMOUNT:		\$ 4,007
				ANNUAL FEE:		0.50%
Due Date	Pmt#	Principal	Interest	Fees	Total	Principal Balance
			PF Applied			165,000
12/1/2025	1	0	7,394	0	7,394	165,000
6/1/2026	2	1,887	2,120	825	4,832	163,113
12/1/2026	3	1,911	2,096	0	4,007	161,202
6/1/2027	4	1,936	2,071	806	4,813	159,266
12/1/2027	5	1,960	2,047	0	4,007	157,306
6/1/2028	6	1,986	2,021	787	4,794	155,320
12/1/2028	7	2,011	1,996	0	4,007	153,309
6/1/2029	8	2,037	1,970	767	4,774	151,272
12/1/2029	9	2,063	1,944	0	4,007	149,209
6/1/2030	10	2,090	1,917	746	4,753	147,119
12/1/2030	11	2,117	1,890	0	4,007	145,002
6/1/2031	12	2,144	1,863	725	4,732	142,858
12/1/2031	13	2,171	1,836	0	4,007	140,687
6/1/2032	14	2,199	1,808	703	4,710	138,488
12/1/2032	15	2,227	1,780	0	4,007	136,261
6/1/2033	16	2,256	1,751	681	4,688	134,005
12/1/2033	17	2,285	1,722	0	4,007	131,720
6/1/2034	18	2,314	1,693	659	4,666	129,406
12/1/2034	19	2,344	1,663	0	4,007	127,062
6/1/2035	20	2,374	1,633	635	4,642	124,688
12/1/2035	21	2,405	1,602	0	4,007	122,283
6/1/2036	22	2,436	1,571	611	4,618	119,847
12/1/2036	23	2,467	1,540	0	4,007	117,380
6/1/2037	24	2,499	1,508	587	4,594	114,881
12/1/2037	25	2,531	1,476	0	4,007	112,350
6/1/2038	26	2,563	1,444	562	4,569	109,787
12/1/2038	27	2,596	1,411	0	4,007	107,191
6/1/2039	28	2,630	1,377	536	4,543	104,561
12/1/2039	29	2,663	1,344	0	4,007	101,898
6/1/2040	30	2,698	1,309	509	4,516	99,200
12/1/2040	31	2,732	1,275	0	4,007	96,468
6/1/2041	32	2,767	1,240	482	4,489	93,701
12/1/2041	33	2,803	1,204	0	4,007	90,898
6/1/2042	34	2,839	1,168	454	4,461	88,059
12/1/2042	35	2,875	1,132	0	4,007	85,184
6/1/2043	36	2,912	1,095	426	4,433	82,272
12/1/2043	37	2,950	1,057	0	4,007	79,322
6/1/2044	38	2,988	1,019	397	4,404	76,334
12/1/2044	39	3,026	981	0	4,007	73,308
6/1/2045	40	3,065	942	367	4,374	70,243
12/1/2045	41	3,104	903	0	4,007	67,139
6/1/2046	42	3,144	863	336	4,343	63,995
12/1/2046	43	3,185	822	0	4,007	60,810
6/1/2047	44	3,226	781	304	4,311	57,584
12/1/2047	45	3,267	740	0	4,007	54,317
6/1/2048	46	3,309	698	272	4,279	51,008
12/1/2048	47	3,352	655	0	4,007	47,656
6/1/2049	48	3,395	612	238	4,245	44,261
12/1/2049	49	3,438	569	0	4,007	40,823
6/1/2050	50	3,482	525	204	4,211	37,341
12/1/2050	51	3,527	480	0	4,007	33,814
6/1/2051	52	3,572	435	169	4,176	30,242
12/1/2051	53	3,618	389	0	4,007	26,624
6/1/2052	54	3,665	342	133	4,140	22,959
12/1/2052	55	3,712	295	0	4,007	19,247
6/1/2053	56	3,760	247	96	4,103	15,487
12/1/2053	57	3,808	199	0	4,007	11,679
6/1/2054	58	3,857	150	58	4,065	7,822
12/1/2054	59	3,906	101	0	4,007	3,916
6/1/2055	60	3,916	50	20	3,986	0
TOTALS		165,000	78,766	14,095	257,861	
REQUIRED LOAN RESERVE:		\$	4,063			

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

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

Borrower:		City of Halsey					
Loan #:		R40671					
Int. Rate:		2.57%					
1st Pmt:		12/1/2025					
							7,394
<b>Disb.</b>	<b>Paid/</b>	<b>Gross Disb.</b>	<b>Principal Forg.</b>	<b>Net Amount</b>	<b>Disb.</b>	<b>Total #</b>	<b>Interest</b>
<b>Number</b>	<b>Estimate</b>	<b>Amount</b>	<b>Applied</b>	<b>Disbursed</b>	<b>Date</b>	<b>of Days</b>	<b>Amount</b>
1	Estimate	\$ 50,000	\$ 25,000	\$ 25,000	12/1/2023	731	1,283.24
2	Estimate	\$ 50,000	\$ 25,000	\$ 25,000	2/1/2024	669	1,174.41
3	Estimate	\$ 50,000	\$ 25,000	\$ 25,000	4/1/2024	609	1,069.08
4	Estimate	\$ 50,000	\$ 25,000	\$ 25,000	6/1/2024	548	961.99
5	Estimate	\$ 50,000	\$ 25,000	\$ 25,000	8/1/2024	487	854.91
6	Estimate	\$ 80,000	\$ 40,000	\$ 40,000	12/1/2024	365	2,050.38
<b>TOTAL:</b>		<b>\$ 330,000</b>	<b>\$ 165,000</b>	<b>\$ 165,000</b>			<b>7,394.01</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 and 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 Certification Office for Business Inclusion and Diversity

775 Summer Street N.E., Room 200

Salem, OR 97301-1280

Phone: 503 – 986 – 0123

Web Site: [www. http://www.oregon4biz.com/How-We-Can-Help/COBID/](http://www.oregon4biz.com/How-We-Can-Help/COBID/)

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

### **ENVIRONMENTAL LEGISLATION:**

Archaeological and Historic Preservation Act of 1974, PL 93-291.  
Clean Air Act, 42 U.S.C. 7506(c).  
Coastal Barrier Resources Act, 16 U.S.C. 3501, et seq.  
Coastal Zone Management Act of 1972, PL 92-583, as amended.  
Endangered Species Act 16 U.S.C. 1531, et seq.  
Executive Order 11593, Protection and Enhancement of the Cultural Environment.  
Executive Order 11988, Floodplain Management.  
Executive Order 11990, Protection of Wetlands.  
Farmland Protection Policy Act, 7 U.S.C. 4201, et seq.  
Fish and Wildlife Coordination Act, PL 85-624, as amended.  
National Historic Preservation Act of 1966, PL 89-665, as amended.  
Safe Drinking Water Act, Section 1424(e), PL 92-523, as amended.  
Wild and Scenic Rivers Act, PL 90-542, as amended.  
Federal Water Pollution Control Act Amendments of 1972, PL 92-500.  
Migratory Bird Conservation Act, 16 U.S.C. 715, et seq.  
Magnuson-Stevens Act – Essential Fish Habitat, 16 U.S.C. 1851, et seq.

### **ECONOMIC LEGISLATION:**

Demonstration Cities and Metropolitan Development Act of 1966, PL 89-754, as amended.  
Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including  
Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution  
Control Act with Respect to Federal Contracts, Grants or Loans.

### **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).  
Executive Order 12898, Environmental Justice in Minority Populations  
Exec. Order No. 11,246, 30 F.R. 12319 (1965), *as amended by* Exec. Order No. 11,375, 32 F.R.  
14303 (1967), *reprinted in* 42 U.S.C. §2000e (1994), and its regulations at 41 C.F.R. §§60-  
1.1 to 60-999.1.

### **MISCELLANEOUS AUTHORITY:**

Uniform Relocation and Real Property Acquisition Policies Act of 1970, PL 92-646.  
Executive Order 12549 and 40 CFR Part 32, Debarment and Suspension.  
Disclosure of Lobbying Activities, Section 1352, Title 31, U.S. Code.

## APPENDIX E: DAVIS-BACON PROVISION

### Part 1

#### (1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Subrecipients may obtain wage determinations from the U.S. Department of Labor's web site, [www.dol.gov](http://www.dol.gov).

(ii)(A) The subrecipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
- (2) The classification is utilized in the area by the construction industry; and
- (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.



(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the subrecipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the subrecipient (s) to the State award official. The State award official will transmit the request, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the subrecipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. The subrecipient(s), shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required

by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the subrecipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the subrecipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <https://www.dol.gov/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the subrecipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the subrecipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees--

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be

greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

- (5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.
- (6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.
- (7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.
- (8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.
- (9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Subrecipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.
- (10) Certification of eligibility.
- (i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
- (ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
- (iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

Part 2  
**Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The subrecipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The subrecipient upon the request of the EPA Award Official or an authorized representative of the Department of Labor, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Subrecipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve



them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Subrecipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the Oregon Department of Environmental Quality and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## 5. Compliance Verification

(a) The subrecipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The subrecipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The subrecipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Subrecipients must conduct more frequent interviews if the initial interviews or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. Subrecipients shall immediately conduct necessary interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The subrecipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The subrecipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the subrecipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Subrecipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the subrecipient shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The subrecipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

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(e) Subrecipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/whd/local/>.



**APPENDIX F**  
**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 G: 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 \_\_\_\_\_

## **APPENDIX H: AMERICAN IRON AND STEEL ("AIS") REQUIREMENT**

The Contractor acknowledges to and for the benefit of the City of Halsey ("Purchaser") and the State of Oregon, acting by and through the Department of Environmental Quality Clean Water State Revolving Fund (the "State") that it understands the goods and services under this Agreement are being funded with monies made available by the Clean Water State Revolving Fund that have statutory requirements commonly known as "American Iron and Steel;" that requires all of the iron and steel products used in the project to be produced in the United States ("American Iron and Steel Requirement") including iron and steel products provided by the Contractor pursuant to this Agreement. The Contractor hereby represents and warrants to and for the benefit of the Purchaser and the State that (a) the Contractor has reviewed and understands the American Iron and Steel Requirement, (b) all of the iron and steel products used in the project will be and/or have been produced in the United States in a manner that complies with the American Iron and Steel Requirement, unless a waiver of the requirement is approved, and (c) the Contractor will provide any further verified information certification or assurance of compliance with this paragraph, or information necessary to support a waiver of the American Iron and Steel Requirement, as may be requested by the Purchaser or the State. Notwithstanding any other provision of this Agreement, any failure to comply with this paragraph by the Contractor shall permit the Purchaser or State to recover as damages against the Contractor any loss, expense, or cost (including without limitation attorney's fees) incurred by the Purchaser or State resulting from any such failure (including without limitation any impairment or loss of funding, whether in whole or in part, from the State or any damages owed to the State by the Purchaser). While the Contractor has no direct contractual privity with the State, as a lender to the Purchaser for the funding of its project, the Purchaser and the Contractor agree that the State is a third-party beneficiary and neither this paragraph (nor any other provision of this Agreement necessary to give this paragraph force or effect) shall be amended or waived without the prior written consent of the State.

## APPENDIX I

### Information required by 2 CFR § 200.332(a)(1)

#### Federal Award Identification:

- (i) Subrecipient name (which must match the name associated with its unique entity identifier): City of Halsey
- (ii) Subrecipient's unique entity identifier:
- (iii) Federal Award Identification Number (FAIN): 4C - 02J42701 - 0
- (iv) Federal award date: 9/21/2023
- (v) Sub-award period of performance, start and end date: from July 1, 2023 to June 30, 2025
- (vi) Sub-award budget period start and end date: from July 1, 2023 to June 30, 2025
- (vii) Total Amount of Federal funds obligated by this Agreement: \$330,000
- (viii) Total Amount of Federal funds obligated by this initial Agreement and any amendments: \$330,000
- (ix) Total amount of Federal award committed to the Subrecipient by the pass-through entity: \$330,000
- (x) Federal award project description: Clean Water State Revolving Fund
- (xi) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity:
  - (a) Name of Federal awarding agency: US Environmental Protection Agency
  - (b) Name of pass-through entity: Oregon Department of Environmental Quality
  - (c) Contact information for awarding official of the pass-through entity:
- (xii) Assistance listings number and title: Capitalization Grants for Clean Water State Revolving Fund  
  
Amount: \$20,106,000
- (xiii) Is award R&D? No
- (xiv) Indirect cost rate for the Federal award per 2 CFR § 200.414: N/A



Currency: USD

Unit No:

CITY OF HALSEY

VIN: 1HTGGA6T2NH460306  
Model: 2574 6X4  
Engine: L10-300 CUM 300HP@1700RPM STC  
Make: International  
Delivered: 8/11/1992  
In Service: 31 Years 2 Months  
Mileage: 124706 Eng Hrs: 0

Recall/AFC: No  
Contact Name: ANDY RIDINGER  
Position: service-primary  
Phone:  
E-Mail: ANDY@CITYOFHALSEY.COM  
PO Number:

Operation (Un-Sectioned)	Labor Cost	Parts Cost	Core Charge	Total Cost
REMOVE AND REPLACE TRANSMISSION (1) TC-10 WELLER TRANSMISSION - REMAN (8) ATF NON SYN OIL	\$1,860.00	\$4,988.16	\$0.00	\$6,848.16
INSTALL DRIVE LINE - UNIT TOWED IN	\$186.00	\$0.00	\$0.00	\$186.00

Notes: [10/26/2023 8:43 AM] - Dealer: estimate for transmission replacement

Summary	
Parts:	\$4,988.16
Core:	\$0.00
Labor:	\$2,046.00
Shop:	\$465.84
Tax:	\$0.00
<b>TOTAL:</b>	<b>\$7,500.00</b>

- 1.) Estimates: Where Labor figures are specified it is understood that they are estimates only.
- 2.) Parts prices based on standard catalog procurement price lists subject to change without notice. Procurement and delivery charges may be added for special service on items not available locally.
- 3.) Credit: All work repair orders are subject to approval of our credit department.
- 4.) Errors: All clerical errors subject to correction.
- 5.) Agreements: All verbal agreements except those confirmed in writing are void.
- 6.) Delivery: Every effort will be made to complete work within time promised, but we will not be responsible for any losses or damages growing out of, or owing to any delays due to availability of parts.
- 7.) Old parts removed from trucks will be junked unless otherwise instructed in writing.
- 8.) The above is an estimate based on our inspection and does not cover hidden damage.
- 9.) Estimate is valid for 30 days.

AUTHORIZED BY: \_\_\_\_\_ DATE: \_\_/\_\_/\_\_

[Log in](#)

# Cisco IP Phone 7800 Series Data Sheet

**Updated:** December 10, 2021

[Bias-Free Language](#)

The Cisco® IP Phone 7800 Series is a cost-effective, high-fidelity voice communications portfolio designed to improve your organization's people-centric communications, while reducing your operating costs.

It combines an attractive new ergonomic design with "always-on" reliability and secure encrypted communications. The Cisco® IP Phone 7800 Series delivers advanced IP Telephony features and crystal clear



wideband audio performance to deliver an easy-to-use, full-featured voice communications experience on Cisco on-premises and hosted infrastructure platforms and third party hosted call control.

The Cisco® IP Phone 7800 Series introduces four models to the Cisco IP Phone portfolio. From left-to-right (Figure 1), they are:

- Cisco IP Phone 7811 supporting one line (available in charcoal only)
- Cisco IP Phone 7821 supporting two lines (available in charcoal and white)
- Cisco IP Phone 7841 supporting four lines (available in charcoal and white)
- Cisco IP Phone 7861 supporting sixteen lines (available in charcoal and white)



Figure 1.

#### Cisco IP Phone 7800 Series

The line keys on each model are fully programmable. You can set up keys to support either lines, such as directory numbers, or call features like speed dialing. You can also boost productivity by handling multiple calls for each directory number, using the multi-call per-line appearance feature. Tri-color LEDs on the line keys support this feature and make the phone simpler and easy to use.

Fixed function keys on all models give you one-touch access to service, messaging, directory, hold/resume, transfer, and conference features. A full-duplex speakerphone lets you set up clear multi-party conferences for flexible, productive collaboration.

The Cisco IP Phone 7800 Series sets a new standard in usability and delivers a context-sensitive user experience. It features a high-resolution 3.5" (396x162) greyscale display with white backlighting on the IP Phone 7821, 7841





Konica Minolta Dealer:



Statement of Work ("SOW")

Konica Minolta Business Solutions U.S.A., Inc. ("Konica Minolta")

City of Halsey ("Client")

Unified Communications Services ("Services")

Thirty-Six (36) Monthly Payments ("Service Term")

November 02, 2023

*This SOW, if not signed by January 01, 2024, must be re-issued.*

**Project Scope.** This SOW describes the Services that Konica Minolta will provide to Client. Konica Minolta will provide qualified and knowledgeable personnel necessary to achieve the following objectives:

## Cloud PBX with Webex

### Monthly Recurring Fees

DESCRIPTION	RATE	QTY.	SUBTOTAL
Webex Voice	\$10.99	2	\$21.98
• Calling: Webex App – Softphone Only + Desk Phone			
• Includes one (1) Local Phone Number			
Common Area Calling	\$7.99	5	\$39.95
• Calling: Desk/Conference Phone; Suited for Fax, Overhead Paging, Misc.			
IP or Analog			
• Includes one (1) Local Phone Number			
Cisco IP Phone 7841 with PS, with one (1) year manufacturer's warranty - 36mo Installments	\$5.99	7	\$41.93
Cisco 2-Port Analog Telephone Adapter for Multiplatform w NAT Router, with one (1) year manufacturer's warranty - 36mo Installments	\$4.49	1	\$4.49
Local Phone Number Hosting	\$0.60	1	\$0.60

### One-Time Fees

DESCRIPTION	RATE	QTY.	SUBTOTAL
New Local Phone Number	\$10.00	1	\$10.00

### SUBTOTALS

MONTHLY RECURRING FEES	<b>\$108.95</b>
ONE-TIME FEES	<b>\$10.00</b>

**Order and Payment Summary.** The price is based upon the project scope as currently understood and defined in this SOW. The total fee are summarized in the table below and payable within thirty (30) days from the date of invoice.

Order ID	231102.8087.1.1
Total Monthly Recurring Amount Due	\$108.95
Total One-Time Amount Due	\$10.00
Service Term	Thirty-Six (36) Monthly Payments

Client is responsible for all applicable taxes, fees and special shipping costs. The prices above supersede any previous prices of the same products or services.

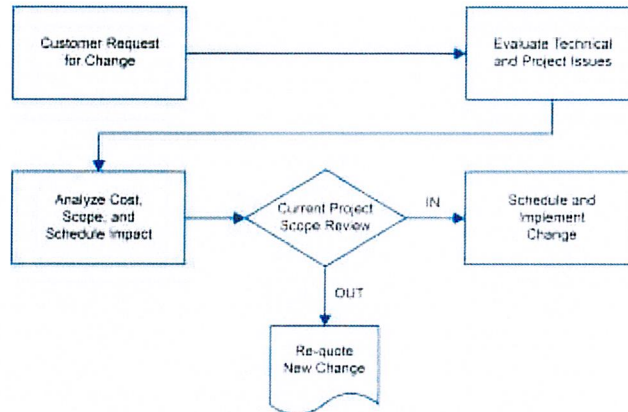
**Project Management.** The assigned Konica Minolta Project Manager ("PM") will provide project control, oversee all Konica Minolta activities and provide a primary point-of-contact for Client. The PM is also responsible for leading all activities related to this Engagement. The PM will oversee the project scope ensuring all deliverables are within the original agreed upon scope of work and established schedule. The PM is also responsible for the scheduling of resources assigned to this Project.

**Change Order Process.** This Project has defined deliverables detailed in this SOW. If a change outside of this SOW affects the performance, functionality, cost, delivery date or other technical parameter of a deliverable or if

Client delays the Project schedule for any reason or is unable to fulfill its responsibilities, a change order will be submitted.

The Change Order process will be implemented as illustrated in the figure below. The change will be evaluated, and technical and engagement issues will be identified. The cost, scope and schedule impact, if any, will be analyzed and documented. The change will then be processed for decision and closure or implementation. The process time for submitting a response on accepted change issues will be five working days for supplying the proposed solution, time frame and costs. The time frame for response with approval or disapproval to supplied change order is five days from receipt of proposal.

In the event an agreement is not reached on the change order, the scope of work of this Engagement remains as it is defined in this SOW.



**Timeline.** Upon the signing of this SOW, a reasonable timeline will be established and reported back to Client.

#### Terms and Conditions of Service

The Terms and Conditions of Service applicable to the Services described in this SOW may be found by clicking on one of the links below.

- **Direct Routing for Microsoft Teams:** See <https://www.kmvoice.com/dr-terms>
- **Cloud PBX with Webex:** See <https://www.kmvoice.com/cpbx-terms>
- **Cloud Fax:** See <https://www.kmvoice.com/fax-terms>
- **SIP Trunking:** See <https://www.kmvoice.com/sip-terms>

Remainder of page left intentionally blank.

**Addresses for Notices**

Konica Minolta Business Solutions U.S.A., Inc.  
426 4<sup>th</sup> Street  
Columbus, IN 47201

City of Halsey

Organization Name

100 W. Halsey St.

Street Address

Halsey, OR 97348

City, State Zip

Federal Tax ID

**Billing Department Contact (Please Print)**

Contact Name

Phone

Email (Invoices will be sent here)

**Signatures.** Agreed upon on the date appearing below, Client acknowledges that Client has read and understands the terms of this SOW. This SOW may be signed in counterparts, each of which shall be deemed an original. Facsimile or photocopied signature shall be deemed to be the functional equivalent of an original for all purposes.

For: Konica Minolta

For: City of Halsey

Signature of Duly Authorized Agent

Signature of Duly Authorized Agent

Print Name

Print Name

Acceptance Date

Date of Signing

**UPON SIGNING, PLEASE SUBMIT ALL PAGES OF THIS DOCUMENT TO KONICA MINOLTA**



# Unified Communications Best Practices for a Successful Project



Review installation documentation and network requirements with your IT staff/vendor.



Verify that your network meets the minimum recommended requirements prior to your implementation date.



All areas of your business that require it have Cat 5 or Cat 6 cabling available.



All switching devices that require it have PoE.