

SEAL ROCK WATER DISTRICT
Board of Commissioners
Regular Board Meeting
Thursday, November 15, 2021 @ 3:30 p.m.
Public Meeting by Zoom Video Conference:

SRWD will hold this meeting through Zoom video conferencing. Due to limited capacity for in person meetings the public is invited to attend this meeting electronically. Please E-mail tkarsen@srwd.org to receive the meeting login information. SRWD encourages the public to submit written comments on items included in the agenda by email to tkarsen@srwd.org by 2:00 p.m. on the day of the meeting to be included as public testimony. Comments received will be shared with the SRWD Board of Commissioners and included in the permanent record.

- **Call Regular Meeting to Order:**

- **Announcements/Visitor Public Comments:**

Public comment period provides the public with an opportunity to address the Commissioners regarding items on the agenda. Please limit comments to (3) minutes.

- **Consent Calendar:**

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

- Invoice List October 2021 to November 2021
- Board Meeting Minutes October 14, 2021
- Financial Report / Approve Invoices October 2021 to November 2021
- Business Oregon Disbursement Request No. 37 November 2021
- USDA PMR Phase IV No. 17 November 2021
- Contractor's Pay Request No. 17 November 2021
- General Manager's Monthly Report October 2021 to November 2021

- **Discussion and Information Items:**

- Consider Primary Source Water Project Update.
Presented by: Adam Denlinger, General Manager
Jeff Hollen, SRWD General Counsel

- **Decision Items:**

- Consider USDA-RD Bond Closing Resolution.
Presented by: Adam Denlinger, General Manager

- **Reports, Comments and Correspondence:**

- General Manager Annual Performance Evaluation Package – Due December 9, 2021
- Employee Appreciation Luncheon December 9, 2021 at noon, followed by the December regular Board meeting @ 2:00 p.m.
- District office will be closed November 25th and 26th in honor of the Thanksgiving Holiday.
- GM will be away from the office beginning November 12th through the end of the month.

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

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

- **Adjournment: Next Meeting: December 9, 2021 @ 2:00 p.m.** Regular Board Meeting or establish date.

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

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

ORIGINAL

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

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount
01-1310				
ALEXANDER SNEGIREFF	101921	Refund Overpayment Final Bill	10/19/2021	21.74
LEN &/OR MARLENE VANCURL	102521	Refund Overpayment Final Bill	10/25/2021	11.11
Total 01-1310:				32.85
01-2520				
OREGON'S KITCHEN TABLE	NPCC-22-011	MCWPP: Oregon's Kitchen Table & SRWD PSU Contract #953042 (8/25-10/31/20	10/29/2021	5,288.50
Total 01-2520:				5,288.50
01-5271				
CENTURYLINK	102521	Toledo Pump Station SCADA	10/25/2021	70.95
CHARTER COMMUNICATIONS	007859710192	Internet (Office)	10/19/2021	124.98
Total 01-5271:				195.93
01-5272				
AT&T MOBILITY	10232021	Wireless	10/15/2021	256.80
Total 01-5272:				256.80
01-5280				
XEROX CORPORATION	014617000	Xerox 3655X Print Charges	10/08/2021	11.93
Total 01-5280:				11.93
01-5290				
BULLFROG ENTERPRISES	953165	Service Call: Preventive maintenance. Inspect, clean, lube, adjust. Test & verify op	10/22/2021	470.00
STAPLES BUSINESS ADVANTA	8063874022	TRU RED "8.5 x 11" Copy Paer, 20lbs., 92 Brightness, 500/Sheets/Ream, 5 Ream	10/09/2021	79.96
STAPLES BUSINESS ADVANTA	8063874022	Tombow MONO Original Correction Tape, White/2 Pack	10/09/2021	9.58
STAPLES BUSINESS ADVANTA	8063874022	TRU RED Medium DutyFile Box, Lift Off Lid, Letter, 12/Carton, Large	10/09/2021	35.93
STAPLES BUSINESS ADVANTA	8063874022	Bankers Box Store/File Corrugated File Storage Boxes, Lift off lid, Letter/Legal Siz	10/09/2021	27.40
Total 01-5290:				622.87
01-5291				
US POSTAL SERVICE - WALDP	102521	Bulk Mailing	10/25/2021	875.79
Total 01-5291:				875.79
01-5310				
BIO-MED	87133	MVR (Cody Sutherland) DOS: 9/21/21	10/13/2021	18.00
TCB SECURITY SERVICES INC.	232515	Answering/Dispatch Services Monthly Fee	11/01/2021	40.00
TCB SECURITY SERVICES INC.	232515	Level One Per Call Price	11/01/2021	8.80
Total 01-5310:				66.80
01-5360				
KATHARINE KIEFFER	100621	Reimbursement for displacement for a night due to leak in Thiel Creek	10/06/2021	123.72
Total 01-5360:				123.72

ORIGINAL

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice /	tt
01-5600					
FASTENAL COMPANY	ORNEW14652	16" orange street broom	10/15/2021		46.02
FASTENAL COMPANY	ORNEW14652	5' flex tip fiberglass handle	10/15/2021		20.59
FASTENAL COMPANY	ORNEW14652	Metal handle brace	10/15/2021		16.21
FASTENAL COMPANY	ORNEW14652	SINDRD GRD LHSQ SHVL	10/15/2021		18.81
FASTENAL COMPANY	ORNEW14652	5" metalthrdwood hndle	10/15/2021		7.83
Total 01-5600:					109.46
01-5610					
CENTRAL LINCOLN P U D.	102021	Utility Services	10/20/2021		1,606.71
Total 01-5610:					1,606.71
01-5630					
HD FOWLER COMPANY	I5934625	2" sdr 11 90 elbow ips hdpe molded butt fusion	10/13/2021		82.84
LIQUIVISION TECHNOLOGY INC	6748	Mobilization fee	10/28/2021		520.00
LIQUIVISION TECHNOLOGY INC	6748	Clean & Inspect - Lost Creek 10/25/2021	10/28/2021		3,540.00
LIQUIVISION TECHNOLOGY INC	6748	Clean & Inspect - Driftwood 10/26/2021	10/28/2021		3,540.00
LIQUIVISION TECHNOLOGY INC	6748	2% Discound for paying with a check within 10 days	10/28/2021		152.00-
Total 01-5630:					7,530.84
01-5634					
ANALYTICAL LABORATORY GR	142479	Colliform, Presence/Absence by SM 9223 B-1B (ALG) 10/13/21	10/14/2021		274.00
OREGON LINEN	710167	Mats	10/31/2021		198.99
Total 01-5634:					472.99
Grand Totals:					17,195.19

Dated: _____

General Manager: _____

Dated: _____

Treasurer: _____

Report Criteria:

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

Seal Rock Water District

Payment Approval Report - by GL
Report dates: 10/25/2021-10/25/2021

Page: 1
Oct 25, 2021 01:39PM

ORIGINAL

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

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount
01-5291				
US POSTAL SERVICE - WALDP	092421	Bulk Mailing September 2021	09/24/2021	880.81
Total 01-5291:				880.81
Grand Totals:				880.81
				<u>880.81</u>

Dated: _____

General Manager: _____

Dated: _____

Treasurer: _____

**SEAL ROCK WATER DISTRICT
MINUTES OF THE
Regular Board Meeting
by Zoom Conference Call and In Person
October 14, 2021**

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Introduction to Remote Meeting:

Denlinger, General Manager, explained that this board meeting is being conducted remotely and in person. Due to limited capacity for in person meetings, the public is invited to attend this meeting electronically. He further explained that the Board President will call each name to confirm those who are present by zoom conference. After each person hears their name, they need to reply. For each decision item in the agenda that needs to be approved, after discussion and deliberation, the Board President will call each name of the commissioner for their vote. After the commissioners hear their name, he or she will give the vote to the affirmative by saying YES or negative by saying NO.

Call Regular Meeting to Order:

President Rob Mills called the regular board meeting to order at 4:02 p.m., Thursday, October 14, 2021.

Present:

President Rob Mills confirmed that all commissioners present can hear each other by doing a roll call. Present by Zoom Conference Call were Commissioner Karen Otta, Treasurer; Commissioner Sandra Mies-Grantham, Secretary; Commissioner Glen Morris, member; and Attorney Jeff Hollen, Legal Counsel. Present in person in the Board room were President Rob Mills, Board President; Commissioner Paul Highfill, member; Staff: Adam Denlinger, General Manager; Joy King, Office Manager.

Excused Absences: none

Announcements/Public Comments:

President Rob Mills asked if there are any announcements. Commissioner Karen Otta announced that she is still in New Zealand; Commissioner Sandra Mies-Grantham will not be able to attend the November meeting; Commissioner Glen Morris will not be able to attend the November meeting; Commissioner Paul Highfill had no announcement. Adam Denlinger announced that the office will be closed on November 11 which is a holiday in observance of Veterans Day and it is also the scheduled regular board meeting. Joy King had no announcement. President Rob Mills had no announcement.

Public Comments: None

Consent Calendar:

Items on the consent calendar are Sept./Oct. 2021 Invoices List; Sept. 9, 2021 Regular Board Meeting Minutes; Sept./Oct. 2021 Financial Report/Invoices List for approval; Business Oregon IFA Disbursement Request No. 36; USDA Phase IV PMR No. 16; Contractor's Pay Request No. 16; and General Manager's Report. President Rob Mills asked if each commissioner has reviewed the items on the consent calendar. Commissioner Karen Otta answered YES; Commissioner Sandra Mies-Grantham answered YES; Commissioner Paul Highfill answered YES; Commissioner Glen Morris answered YES and President Rob Mills answered YES. Commissioner Sandra Mies-Grantham motioned to approve the consent calendar. Commissioner Karen Otta seconded the motion. President Rob Mills asked the commissioners for their votes. Commissioner Karen Otta voted YES; Commissioner Paul Highfill voted YES; Commissioner Sandra Mies-Grantham voted YES; Commissioner Glen Morris abstained from voting; and President Rob Mills voted YES. Motion passed with 4 YES votes, and 1 abstained from voting.

Discussion and Information Items:

Source Water Project Update:

The contractor is continuing the construction at the Water Treatment Plant (WTP) site to include grading around the membrane building and the backwash basin. The construction of the roofing has been completed and the contractor is framing the windows of the operation and control room. The electricians are installing the electrical wiring for the WTP to include wiring for the pumps and computers and the plumbers are installing the piping in the WTP. Simulation exercise of the water treatment system will be scheduled to include the new water treatment operator. Start up procedure will be in December to check if the system runs properly before going online. According to attorney Jeff Hollen, the contractor is already behind the contract completion date. He and the legal counsel for the contractor are looking for an arbitrator with EJCDC familiarity experience. The delay is causing higher costs on water purchase and engineering costs. The District can charge liquidated damages that could help recover the additional costs caused by the delay. A note that the District has the right to withhold liquidated damages was inserted on the Pay Application submitted by the contractor, but withholding the liquidated damages has been deferred for now. The primary goal is to complete the project.

65 **Decision Items:**

66 **Infectious Disease Policy and Procedures:**

67 Management is providing the information made available by SDAO/SDIS regarding COVID-19 vaccinations and infectious
68 disease protocols for consideration, approval and implementation by the Board. See attached copy of the Policy and
69 Procedures. The Policy and Procedures address the needs of the District with regards to infectious disease based on the
70 District's condition. This has been reviewed by SDAO/SDIS sub-committee and pre-loss legal counsel.
71 Discussion on how to make sure the employees are safe was discussed like following protocols of wearing masks, social
72 distancing, hand washing and the use of home testing kits approved by Lincoln County Public Health and FDA. If
73 employees need to quarantine they may use comp time or PTO. They could also use time donated from other employees.
74 Commissioner Karen Otta motioned to approve the Infectious Disease Policy and Procedures presented by the GM.
75 Commissioner Glen Morris seconded the motion. Motion passed with 5 Yes votes and 0 No votes.

76
77 **Reports, Comments, and Correspondence:**

78 **Personnel Recruitment:**

79 The newly hired Operator 1 is working well. Staff has scheduled an interview with a qualified water treatment plant operator
80 on October 21. The applicant has a grade 3 certification which is higher than the grade 2 certification required for the size of
81 the WTP system the district is building. The interview panel includes district staff and Jacobs engineers.
82 District staff met with Delta Operations personnel. It is a sister company of The Automation Group Inc (TAG), the SCADA
83 provider of the District. Delta Operations has certified operators who manage small water treatment facilities and provide
84 start up training of new water treatment plants and training of operators. The GM is reviewing the quote for the services
85 they can provide.

86 **GM Performance Evaluation:**

87 A GM Evaluation Package was included in the meeting packet for the annual GM Performance Evaluation. The Evaluation
88 Package included the Performance Evaluation Form, List of General Manager Responsibilities, Updated GM Activity List,
89 and SRWD: Priority Goals and Objectives. It was the consensus of the Board to continue using the Performance Evaluation
90 Form as a tool to help the person being evaluated. President Rob Mills asked each Board member to email the completed
91 evaluation to him so he can compile the results and make a summary of all the performance evaluations.

92 **Employee Appreciation Luncheon:**

93 It was the consensus of the Board to have the employee appreciation luncheon at 11:00 a.m. to 12:00 p.m. on November
94 10 and the Board meeting at 2:00 pm. It was also the consensus of the Board to provide the same amount of bonus to
95 employees as last year.

96 **GM Time Off:**

97 The GM is considering taking time off beginning November 12 until the end of the month.


98
99 **Adjournment:** It was the consensus of the Board to adjourn the meeting. President Rob Mills adjourned the meeting at
100 5:09 p.m.

101
102 **Next Board Meeting:** November 10, 2021, at 2:00 p.m. Regular Board Meeting. Employee Luncheon Appreciation
103 at 11:00 a.m.

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109 _____
110 Approved by Board President

Date:

Monthly Statistics		Comments				
Total customers	2644	Includes new connects Less Abandoned / Forfeited meter plus 3 SRWD meters (shop X 2 & office) plus 1 Hydrant meter				
New connections	1					
Reinstalls	0					
Abandonments/Forfeitures/Meter Removed	0					
Financial Report		Checking/MM	LGIP/PFMMA	Fund Balances	Comments	
General	\$403,944.32	\$17,500.83	\$421,445.15			
Bond	\$275,245.99	\$0.00	\$275,245.99			
Capital Projects	\$289,338.73	\$68,408.44	\$357,747.17		\$7,421,586 Interim Loan Proceeds	
Revenue Bond	\$2,719.85	\$110,290.66	\$113,010.51			
Rural Development Reserve	\$0.00	\$78,458.69	\$78,458.69			
Dist. Office/Shop Reserve	\$3,614.33	\$135,410.47	\$139,024.80			
Depreciation/SLARA Reserve		\$296,169.98	\$296,169.98			
SDC (formerly SIP)	\$0.00	\$624,468.08	\$624,468.08		\$1,164,693.00 SDC collections thru 10/31/2021	
Water Source Improvement Rsrv	\$0.00	\$545,887.53	\$545,887.53			
TOTALS	\$974,863.22	\$1,876,594.68	\$2,851,457.90			
General Fund Review		Current	FYTD	Budgeted Amount	Comments	
Revenue	\$190,176.72	869,453.38	\$2,746,800.00			
Expenses	\$168,491.92	797,879.93	\$2,746,800.00		Contingency \$100,000; Transfers \$173550; Total expenses budgeted \$1,930,630	
Net Gain or (Loss) from Operations	\$21,684.80	\$71,573.45				
Water Sales Revenue Comparison		Month	FYTD	Comments		
Water Sales Current Year	\$183,619	\$808,459		Leak Adjustments & Billings Adjustments (YTD = July - June)		
Actual+In Lieu of Water Sales Less H2O CR	\$188,619	\$828,459,010		Less Billing Adj YTD \$0.00; Leak Adj/Write off YTD -\$0.33		
Water Sales Prior Year	\$155,522	\$695,604		TOTAL YTD ADJUSTMENTS -\$0.33		
Actual+In Lieu of Water Sales Less H2O CR	\$160,521	\$715,207				
Over or (Under)	\$28,096.72	\$112,854.47				
Gallage Comparison		Current	Prior Year	Cost Comparison	Current	Prior Year
Gallons Purchased	8,189,000	8,954,000	Toledo Charges	\$46,351.96	\$32,861.20	
Gallons Sold (includes accountable loss & intertie)	8,119,237	8,845,363	SRWD Sales	\$183,618.84	\$155,482.88	
Variance %	0.85%	1.21%	Ratio: Sales/Cost	3.96	4.73	
City of Newport Intertie Usage	0					
Gallons from Toledo Master Meter	9,171,000	9/10-10/11/21	Toledo Master Meter Readings read by SRWD field crew			
Total Gallons Accounted	8,210,307		From flushing, leaks, CL2 Analyzer, & fire hydrant use & R&G			
Total Gallons Unaccounted	960,693					
Water Loss Percentage	10.48%					
Approval To Pay Bills		Payroll 10/8/2021 \$22,161.76	Payroll 10/22/2021 \$22,031.55			
Month of:	October	(after meeting)	November			
	GF A/P	\$13,997.38	GF A/P	\$64,725.80	up to 11/9/2021	
	CPF A/P	\$0.00	CPF A/P	\$0.00		
	Bond / Rev Bond Fund	\$0.00	Bond / Rev Bond Fund	\$372,286.29		
	Depreciation/SLARA	\$0.00	Depreciation/SLARA	\$0.00		
	Water Rights Assistance	\$0.00	Water Rights Assistance	\$0.00		
	MP - Phase 4 (IFA)	\$0.00	MP - Phase 4 (IFA)	\$0.00		
	MP- Phase 4(USDA)	\$0.00	MP- Phase 4 (USDA)	\$468,323.75		
	MCWPP	\$5,288.50	MCWPP	\$6,146.25		
	MCWCC	\$0.00	MCWCC	\$0.00		
Monthly Accrual Statistics		Req. Balance	Accrued	Used/Paid	Balance	
		9/30/2021			10/31/2021	
Office Overtime Hours (2-01)	0.00	3.00	3.00	0.00		
Field Overtime Hours (2-02)	0.00	4.50	4.50	0.00		
PTO (3-01)	2971.80	115.72	121.50	2966.02		
Comp Time (9-01 / 9-02)	99.11	28.51	27.00	100.62		

OBDD Disbursement Request										
	Recipient:		Seal Rock Water District					Project Number:		S18011
	Project Name:		Water Intake, Treatment and Transmission							5741-03
	Funding Programs:		Safe Drinking Water Revolving Loan Fund					Request Number:		37
	Reporting Period:		Oct 1	to	Oct 31, 2021			Final Draw?		<input type="radio"/> Yes <input checked="" type="radio"/> No

(A)	OBDD Funds (Enter Whole Dollars Only)				Other / Matching Funds (Enter Whole Dollars Only)				All Funds
	(B)	(C)	(D)	(E) = [B-C-D]	(F)	(G)	(H)	(I) = [F-G-H]	(J) = [C+D+G+H]
Activity	Approved Budget	Prior Disbursements	Current Request	Balance	Approved Budget	Prior Expenditures	Current Expenditure	Balance	Disbursed & Expended
Design / Engineering/Water Quality	\$1,341,373	\$1,215,621	\$519	\$125,233					\$1,216,140
Construction	1,951,000	1,951,000			8,702,971	5,982,463	463,314	2,257,194	8,396,777
Labor Standards	15,000	11,250		3,750					11,250
Pre-award: Consultant, Legal	95,014	95,014							95,014
Project Management	15,000	15,000							15,000
Land, Easements, ROW					477,910	477,910			477,910
Geotech Eval/Environmental	26,675	26,675			36,348	36,348			63,023
Permitting and Regulatory Fees					217,781	217,781			217,781
Consultant/Legal/Admin	36,938	36,938			158,943	128,057	2,220	28,666	167,215
Interim Loan/Refinancing					1,570,914	1,378,592		192,322	1,378,592
Engineering-Construction Mgmt					1,101,000	920,785	2,789	177,426	923,574
Tree Clearing					13,785	13,785			13,785
Contingency					308,459			308,459	
Const.- Electrical, Testing, PRV					253,823	253,823			253,823
Construction-Membrane					858,685	678,948		179,737	678,948
Total	\$3,481,000	\$3,351,498	\$519	\$128,983	\$13,700,619	\$10,088,492	\$468,324	\$3,143,803	\$13,908,833

Certification: We certify that the data are correct and that the amount requested is not in excess of current needs.

General Manager	11/16/2021
Authorized Signature & Title	Date
Office Manager	11/16/2021
Authorized Signature & Title	Date
Joy S King	541-563-3599
Project Contact for Payment Notification	Phone Number
jking@srwd.org / info@srwd.org	
E-Mail Address	

For OBDD Use Only: I have reviewed this request and approve payment to the above mentioned recipient in the amount(s) listed below.

Dollar Amount	Funding Type	Funding Program
	Loan / Grant / Forgivable	(If more than one source of funds)
\$ _____		
\$ _____		
\$ _____		
\$ _____		
Contract Administrator Signature	Date	Manager Signature

c:\msoffice\excel\guide21				OR Instruction 1780 Modified OR Guide 21			
PROJECT MONITORING REPORT		1. Type of Request Final <input type="checkbox"/> Partial <input checked="" type="checkbox"/>		2. Report No. 17		updated 5-11-2020	
3. REPORT PERIOD Ending 10/31/2021		4. BORROWER INFORMATION Name: Seal Rock Water District Address: 1037 NW Grebe Street, Seal Rock, OR 97376					
BUDGET ITEMS		STATUS OF BUDGET					
(All entries under Column "b" must be justified with an attachment) (All entries under column "e" must be documented with an attached invoice)		(a) Budgeted Amounts (from LOC)	(b) Budget Change	(c) Revised Budget	(d) Previous Total	(e) This Period	(f) TOTAL (d)+(e)
							(g) Remaining Balance (c)-(f)
a. Engineering- Design		\$947,000	\$91,000.00	\$1,038,000.00	\$1,038,000.00		\$ 1,038,000.00 \$ -
b. Engineering- Membrane Pre-purchase		\$35,000	\$2,990.00	\$37,990.00	\$37,990.00		\$ 37,990.00 \$ -
c. Engineering- Bid Services		\$45,000	\$0.00	\$45,000.00	\$44,997.00		\$ 44,997.00 \$ 3.00
d. Engineering-Basic Engineering		\$380,000	\$27,799.86	\$407,799.86	\$407,799.86		\$ 407,799.86 \$ -
e. Engineering-Project Inspection		\$0	\$403,200.00	\$403,200.00	\$317,222.58		\$ 317,222.58 \$ 85,977.42
f. Engineering-Start Up		\$20,000	\$10,000.00	\$30,000.00	\$0.00		\$ - \$ 30,000.00
g. Engineering- Software Development		\$0	\$215,000.00	\$215,000.00	\$150,764.35	\$ 2,789.05	\$ 153,553.40 \$ 61,446.60
h. Legal Services/Land Purch. (easements)		\$400,000	\$77,205.02	\$477,205.02	\$477,205.02		\$ 477,205.02 \$ -
i. Geotechnical Site Investigation		\$51,000	\$0.00	\$51,000.00	\$50,977.00		\$ 50,977.00 \$ 23.00
j. Surveying		\$26,000	\$3,962.00	\$29,962.00	\$29,962.00		\$ 29,962.00 \$ -
k. Permitting		\$170,000	\$48,486.00	\$218,486.00	\$218,486.00		\$ 218,486.00 \$ -
l. Archeological		\$40,000	\$0.00	\$40,000.00	\$12,046.00		\$ 12,046.00 \$ 27,954.00
m. Bond counsel Services		\$80,000	-\$32,500.00	\$47,500.00	\$42,500.00		\$ 42,500.00 \$ 5,000.00
n. Interim Interest & Expense		\$360,000	\$0.00	\$360,000.00	\$168,678.46		\$ 168,678.46 \$ 191,321.54
o. Consultant/Admin/Legal-phase 4		\$12,000	\$45,815.25	\$57,815.25	\$55,595.00	\$ 2,220.25	\$ 57,815.25 \$ -
p. Line of Credit Refinance (COT expenses)		\$1,616,500	-\$429,500.00	\$1,187,000.00	\$1,187,000.00		\$ 1,187,000.00 \$ -
q. Line of Credit Refinance- Interest		\$0	\$23,914.00	\$23,914.00	\$22,914.00		\$ 22,914.00 \$ 1,000.00
r. Contingency		\$1,306,000	-\$1,028,954.99	\$277,045.01	\$0.00		\$ - \$ 277,045.01
s. Additional IFA Services		\$0	\$368,558.00	\$368,558.00	\$335,822.77	\$ 519.00	\$ 336,341.77 \$ 32,216.23
t. Tree Clearing		\$0	\$13,785.00	\$13,785.00	\$13,785.00		\$ 13,785.00 \$ -
u. Tank Removal		\$0	\$18,752.00	\$18,752.00	\$18,752.00		\$ 18,752.00 \$ -
v. Construction Costs:			\$0.00	\$0.00	\$0.00		\$ - \$ -
1. Contractor R&G		\$8,966,000	\$1,714,682.61	\$10,680,682.61	\$7,834,084.44	\$ 463,314.45	\$ 8,297,398.89 \$ 2,383,283.72
2. Westech- Membrane Purchase		\$922,000	-\$23,315.00	\$898,685.00	\$718,948.00		\$ 718,948.00 \$ 179,737.00
3. Other-Electrical at Intake/WTP		\$0	\$202,421.50	\$202,421.50	\$202,421.50		\$ 202,421.50 \$ -
4. Other-Compaction Test		\$0	\$48,828.00	\$48,828.00	\$48,828.00		\$ 48,828.00 \$ -
5. Other-98th St. PRV Calibration		\$0	\$5,210.00	\$5,210.00	\$5,210.00		\$ 5,210.00 \$ -
k. TOTAL PROJECT COST		\$15,376,500	\$1,807,339.25	\$ 17,183,839.25	\$13,439,988.98	\$ 468,842.75	\$ 13,908,831.73 \$ 3,275,007.52
l. Funding Allocation							
1) Business Oregon Loan/Grant		\$3,481,000	\$0	\$3,481,000.00	\$3,351,497.77	\$ 519.00	\$ 3,352,016.77 \$ 128,983.23
2) USDA Rev Bond Loan		\$2,547,000	\$0	\$2,547,000.00	\$2,547,000.00		\$ 2,547,000.00 \$ -
3) USDA GO Bond Loan		\$6,549,000	\$0	\$6,549,000.00	\$6,549,000.00		\$ 6,549,000.00 \$ -
4) USDA Grant		\$2,799,500	\$0	\$2,799,500.00	\$687,372.21	\$ 468,323.75	\$ 1,155,695.96 \$ 1,643,804.04
5) USDA Sub Grant		\$0	\$1,500,000	\$1,500,000.00	\$0.00		\$ - \$ 1,500,000.00
6) Applicant Contribution		\$0	\$302,000	\$302,000.00	\$302,000.00		\$ 302,000.00 \$ -
7) Interest		\$0	\$3,119.00	\$3,119.00	\$3,119.00		\$ 3,119.00 \$ -
m. TOTAL PROJECT FUNDING		\$15,376,500	\$1,805,119.00	\$17,181,619.00	\$13,439,988.98	\$ 468,842.75	\$ 13,908,831.73 \$ 3,272,787.27
n. Percentage of Completion					78%	3%	81% 19%
5. CERTIFICATION		I certify that to the best of my knowledge and belief costs or disbursements shown are in accordance with the terms of the project and that an inspection has been performed and all work is in accordance with the terms of the construction contract.					
BORROWER		Signature of Authorized Certifying Official Adan Denlinger, General Manager				Date Submitted: 11/16/2021 Telephone: (541) 563-3529	
6. RURAL DEVELOPMENT ACCEPTANCE		This form and attachments have been reviewed and are accepted by Rural Utilities Service unless otherwise noted. This review and acceptance by RUS does not attest to the correctness of the amounts, the quantities shown, or that the work has been performed under the terms of the agreements or contracts.					
RURAL UTILITIES SERVICE		Signature of Authorized Certifying Official Jay DeLapp, Area Loan Specialist				Date Submitted: Telephone: (541) 801-2676	
NOTES:							



Contractor's Application for Payment No. 17

Application Period: 9/26/21 to 10/25/21	Application Date: 10/28/2021
To (Owner): Seal Rock Water District	From (Contractor): R&G Excavating, Inc.
Project: Phase IV Beaver Creek Water Supply Seal Rock, Oregon	Via (Engineer): Jacobs Engineering Group
Owner's Contract No.: D3362301	Contractor's Project No.: 2003 Engineer's Project No.: D3362301

**Application For Payment
Change Order Summary**

Approved Change Orders		
Number	Additions	Deductions
1	\$0.00	\$0.00
2	\$3,372.86	\$0.00
3	\$0.00	\$60,524.00
4	\$9,199.49	\$0.00
5	\$0.00	\$6,849.36
6	\$0.00	\$4,972.47
7	-	-
8	\$23,744.84	\$0.00
9	\$26,711.25	\$0.00
TOTALS	\$63,028.44	\$72,345.83
NET CHANGE BY CHANGE ORDERS	-\$9,317.39	

1. ORIGINAL CONTRACT PRICE.....	\$ 10,690,000.00
2. Net change by Change Orders.....	\$ -9,317.39
3. Current Contract Price (Line 1 ± 2).....	\$ 10,680,682.61
4. TOTAL COMPLETED AND STORED TO DATE (Column F total on Progress Estimates).....	\$ 58,734,104.99
5. RETAINAGE:	
a. 5% X \$ 8,196,594.44 Work Completed.....	\$ 409,829.72
b. 5% X \$ 537,510.55 Stored Material.....	\$ 26,875.53
c. Total Retainage (Line 5.a + Line 5.b).....	\$ 436,705.25
6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5.c).....	\$ 58,297,399.74
7. LESS PREVIOUS PAYMENTS (Line 6 from prior Application).....	\$ 57,834,085.29
8. AMOUNT DUE THIS APPLICATION.....	\$ 463,314.45
9. BALANCE TO FINISH, PLUS RETAINAGE (Column G total on Progress Estimates + Line 5.c above).....	\$ 52,383,282.87

Contractor's Certification

The undersigned Contractor certifies, to the best of its knowledge, the following:

(1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment;

(2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner at time of payment free and clear of all Liens, security interests, and encumbrances (except such as are covered by a bond acceptable to Owner indemnifying Owner against any such Liens, security interest, or encumbrances); and

(3) All the Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

Contractor Signature

By: Glinda Ireland Operations Manager Date: 10/29/2021

Payment of: \$ 463,314.45
(Line 8 or other - attach explanation of the other amount)

is recommended by: 10/28/2021
Jennifer Koch, Project Engineer, Jacobs (Date)

Payment of: \$ 463,314.45
(Line 8 or other - attach explanation of the other amount)

is approved by: _____
Adam Denlinger, General Manager, Seal Rock Water District (Date)

is approved by: _____
Holly Halligan or Jay DeLapp, Loans Specialist, USDA-RD (Date)

NOTE: District reserves its right to defer withholding Liquidated Damages to a future date. This pay application contains 59-days beyond substantial completion as of August 27, 2021. Authorizing the district to deduct \$3400.00 per/day for a total overall amount reflected in this pay/app of \$200,600.00

SRWD Phase IV Beaver Creek Water Supply, Seal Rock, Oregon
Schedule of Values

PAY PERIOD START: 9/26/2021
 PAY PERIOD END: 10/25/2021
 ORIGINAL CONTRACT AMOUNT: \$ 10,690,000.00
 ADJUSTED CONTRACT AMOUNT: \$ 10,680,682.61

OWNER: Seal Rock Water District
 1037 NW Grebe St
 Seal Rock, OR 97376

CONTRACTOR: R&G Excavating, Inc.
 39300 Montgomery Drive
 Seio, OR 97374

Line Item No.	DESCRIPTION A	ORIGINAL ESTIMATE B LUMP SUM PRICES	PREVIOUS WORK COMPLETED C		THIS MONTH WORK COMPLETED D E F							TOTAL VALUE REMAINING G (B-F)	PAYMENT/RETAINAGE			
			Previous %	Previous Value	% This Month	This Month Value	This Month's Materials Added	Previous Stored Materials	Installed Materials	Balance of Materials Stored	Total %		Total Value	Retainage This Month	Payment This Month	Total Retainage
General Conditions																
001	Mobilization	\$ 337,011.00	100.0%	\$ 337,011.00							100.0%	\$ 337,011.00	\$ -	\$ -	\$ 16,850.55	
002	Demobilization	\$ 75,000.00	0.0%	\$ -	0.0%						0.0%	\$ -	\$ 75,000.00	\$ -	\$ -	\$ -
003	Insurance/Bonds	\$ 80,000.00	100.0%	\$ 80,000.00							100.0%	\$ 80,000.00	\$ -	\$ -	\$ 4,000.00	
004	Permits	\$ 5,000.00	100.0%	\$ 5,000.00							100.0%	\$ 5,000.00	\$ -	\$ -	\$ 250.00	
005	Contractor's Field Office Set-Up	\$ 20,000.00	100.0%	\$ 20,000.00							100.0%	\$ 20,000.00	\$ -	\$ -	\$ 1,000.00	
006	Temporary Facilities	\$ 60,000.00	93.3%	\$ 56,000.00	3.3%	\$ 2,000.00					96.7%	\$ 58,000.00	\$ 2,000.00	\$ 1,900.00	\$ 2,900.00	
007	Project Management	\$ 300,000.00	79.0%	\$ 237,000.00	5.0%	\$ 15,000.00					84.0%	\$ 252,000.00	\$ 48,000.00	\$ 14,250.00	\$ 12,600.00	
008	Progress Schedule	\$ 15,000.00	96.7%	\$ 14,500.00	0.0%	\$ -					96.7%	\$ 14,500.00	\$ 500.00	\$ -	\$ 725.00	
009	Submittals	\$ 50,000.00	98.5%	\$ 49,250.00	0.0%	\$ -					98.5%	\$ 49,250.00	\$ 750.00	\$ -	\$ 2,462.50	
010	Operations & Maintenance	\$ 20,000.00	20.0%	\$ 4,000.00	0.0%	\$ -					20.0%	\$ 4,000.00	\$ 16,000.00	\$ -	\$ 200.00	
011	Equipment Testing	\$ 10,000.00	0.0%	\$ -	0.0%	\$ -					0.0%	\$ -	\$ 10,000.00	\$ -	\$ -	
012	Facility Startup	\$ 15,000.00	0.0%	\$ -	0.0%	\$ -					0.0%	\$ -	\$ 15,000.00	\$ -	\$ -	
013	Contract Closeout	\$ 5,000.00	0.0%	\$ -	0.0%	\$ -					0.0%	\$ -	\$ 5,000.00	\$ -	\$ -	
014	Electrical Mob	\$ 75,000.00	100.0%	\$ 75,000.00							100.0%	\$ 75,000.00	\$ -	\$ -	\$ 3,750.00	
015	Electrical Submittals	\$ 37,500.00	76.0%	\$ 28,500.00	0.0%	\$ -					76.0%	\$ 28,500.00	\$ 9,000.00	\$ -	\$ 1,425.00	
016	Electrical O&Ms & Closeout	\$ 37,500.00	0.0%	\$ -	0.0%	\$ -					0.0%	\$ -	\$ 37,500.00	\$ -	\$ -	
017	Paving Mob	\$ 7,000.00	100.0%	\$ 7,000.00							100.0%	\$ 7,000.00	\$ -	\$ -	\$ 350.00	
018	Structural Metals Mob	\$ 7,500.00	100.0%	\$ 7,500.00							100.0%	\$ 7,500.00	\$ -	\$ -	\$ 375.00	
019	Structural Metals Submittals	\$ 10,000.00	100.0%	\$ 10,000.00							100.0%	\$ 10,000.00	\$ -	\$ -	\$ 500.00	
020	HVAC Mobilization	\$ 5,000.00	100.0%	\$ 5,000.00							100.0%	\$ 5,000.00	\$ -	\$ -	\$ 250.00	
021	HVAC Submittals	\$ 5,000.00	52.5%	\$ 2,625.00	0.0%	\$ -					52.5%	\$ 2,625.00	\$ 2,375.00	\$ -	\$ 131.25	
Force Moin																
022	Erosion Control	\$ 85,836.00	100.0%	\$ 85,836.00							100.0%	\$ 85,836.00	\$ -	\$ -	\$ 4,291.80	
023	Clearing	\$ 10,350.00	100.0%	\$ 10,350.00							100.0%	\$ 10,350.00	\$ -	\$ -	\$ 517.50	
024	Trench Cut-Off & Thrust Walls	\$ 90,750.00	100.0%	\$ 90,750.00							100.0%	\$ 90,750.00	\$ -	\$ -	\$ 4,537.50	
025	Signs	\$ 6,000.00	100.0%	\$ 6,000.00							100.0%	\$ 6,000.00	\$ -	\$ -	\$ 300.00	
026	Force Main Piping Materials	\$ 244,409.00	100.0%	\$ 244,409.00							100.0%	\$ 244,409.00	\$ -	\$ -	\$ 12,220.45	
027	Laterals	\$ 44,185.00	100.0%	\$ 44,185.00							100.0%	\$ 44,185.00	\$ -	\$ -	\$ 2,209.25	
028	HDPE Welding	\$ 44,600.00	100.0%	\$ 44,600.00							100.0%	\$ 44,600.00	\$ -	\$ -	\$ 2,230.00	
029	Beaver Road Piping Install	\$ 555,428.00	100.0%	\$ 555,428.00							100.0%	\$ 555,428.00	\$ -	\$ -	\$ 27,771.40	
030	Private Property Piping Install	\$ 179,295.00	100.0%	\$ 179,295.00							100.0%	\$ 179,295.00	\$ -	\$ -	\$ 8,964.75	
031	Kona Street Piping Install	\$ 250,105.00	100.0%	\$ 250,105.00							100.0%	\$ 250,105.00	\$ -	\$ -	\$ 12,505.25	
032	North Beaver Creek Piping Install	\$ 38,462.00	100.0%	\$ 38,462.00							100.0%	\$ 38,462.00	\$ -	\$ -	\$ 1,923.10	
033	Blow-Off Piping	\$ 31,694.00	100.0%	\$ 31,694.00							100.0%	\$ 31,694.00	\$ -	\$ -	\$ 1,584.70	
034	Blow-Offs	\$ 29,540.00	100.0%	\$ 29,540.00							100.0%	\$ 29,540.00	\$ -	\$ -	\$ 1,477.00	
035	Testing	\$ 6,600.00	100.0%	\$ 6,600.00							100.0%	\$ 6,600.00	\$ -	\$ -	\$ 330.00	
036	Bridge Crossing Piping	\$ 48,103.00	100.0%	\$ 48,103.00							100.0%	\$ 48,103.00	\$ -	\$ -	\$ 2,405.15	
037	Bridge Crossing Piping Installed	\$ 20,000.00	99.0%	\$ 19,800.00	0.0%	\$ -	\$ -	\$ -	\$ -		99.0%	\$ 19,800.00	\$ 200.00	\$ -	\$ 990.00	
038	Pavement Grinding	\$ 13,030.00	100.0%	\$ 13,030.00							100.0%	\$ 13,030.00	\$ -	\$ -	\$ 651.50	
039	AC Plug & Prep	\$ 243,770.00	100.0%	\$ 243,770.00							100.0%	\$ 243,770.00	\$ -	\$ -	\$ 12,188.50	
040	Overlay	\$ 138,000.00	100.0%	\$ 138,000.00							100.0%	\$ 138,000.00	\$ -	\$ -	\$ 6,900.00	
041	Paving	\$ 70,460.00	100.0%	\$ 70,460.00							100.0%	\$ 70,460.00	\$ -	\$ -	\$ 3,523.00	
Treatment Building Site																
042	Erosion Control	\$ 12,000.00	100.0%	\$ 12,000.00							100.0%	\$ 12,000.00	\$ -	\$ -	\$ 600.00	
043	Site Work	\$ 95,625.00	100.0%	\$ 95,625.00							100.0%	\$ 95,625.00	\$ -	\$ -	\$ 4,781.25	
044	Clearing & Grubbing	\$ 25,000.00	100.0%	\$ 25,000.00							100.0%	\$ 25,000.00	\$ -	\$ -	\$ 1,250.00	
045	Excavation	\$ 12,000.00	100.0%	\$ 12,000.00							100.0%	\$ 12,000.00	\$ -	\$ -	\$ 600.00	

Line Item No.	DESCRIPTION A	ORIGINAL ESTIMATE B LUMP SUM PRICES	PREVIOUS WORK COMPLETED C		THIS MONTH WORK COMPLETED D E F							TOTAL VALUE REMAINING G (B-F)	PAYMENT/RETAINAGE			
			Previous %	Previous Value	% This Month	This Month Value	This Month's Materials Added	Previous Stored Materials	Installed Materials	Balance of Materials Stored	Total %		Total Value	Retainage This Month	Payment This Month	Total Retainage
046	Finish Grading	\$ 20,000.00	40.0%	\$ 8,000.00	0.0%	\$ -	\$ -	\$ -	\$ -	40.0%	\$ 8,000.00	\$ 12,000.00	\$ -	\$ -	\$ 400.00	
047	East Retaining Wall	\$ 4,750.00	100.0%	\$ 4,750.00						100.0%	\$ 4,750.00	\$ -	\$ -	\$ 237.50		
048	West Retaining Wall	\$ 14,870.00	70.6%	\$ 10,500.00	29.4%	\$ 4,370.00	\$ 3,370.00	\$ (3,370.00)	\$ -	100.0%	\$ 14,870.00	\$ -	\$ 50.00	\$ 950.00	\$ 743.50	
049	Site Piping	\$ 88,747.00	100.0%	\$ 88,747.00	0.0%	\$ -	\$ -	\$ -	\$ -	100.0%	\$ 88,747.00	\$ -	\$ -	\$ -	\$ 4,437.35	
050	Site Piping Installed	\$ 111,152.00	100.0%	\$ 111,152.00						100.0%	\$ 111,152.00	\$ -	\$ -	\$ -	\$ 5,557.60	
051	Pipe & Fittings Installed	\$ 33,492.00	100.0%	\$ 33,492.00						100.0%	\$ 33,492.00	\$ -	\$ -	\$ -	\$ 1,674.60	
052*	Site Concrete	\$ 18,535.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 18,535.00	\$ -	\$ -	\$ -	
053	Fencing	\$ 82,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 82,000.00	\$ -	\$ -	\$ -	
054	Bollards	\$ 3,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 3,000.00	\$ -	\$ -	\$ -	
055	Automated Entry Gate	\$ 19,500.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 19,500.00	\$ -	\$ -	\$ -	
056	Membrane Site Electrical	\$ 25,466.00	50.0%	\$ 12,735.00	15.0%	\$ 3,818.00	\$ -	\$ -	\$ -	65.0%	\$ 16,553.00	\$ 8,913.00	\$ 190.90	\$ 3,627.10	\$ 827.65	
057	Overall Site (Underground fiber) Electric	\$ 165,114.00	89.2%	\$ 147,346.80	0.0%	\$ -	\$ -	\$ -	\$ -	89.2%	\$ 147,346.80	\$ 17,767.20	\$ -	\$ -	\$ 7,367.34	
058	FRP Brine Tank	\$ 65,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 65,000.00	\$ -	\$ -	\$ -	
059	FRP Brine Tank Install	\$ 5,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 5,000.00	\$ -	\$ -	\$ -	
Membrane Building																
060	Excavation	\$ 15,000.00	100.0%	\$ 15,000.00						100.0%	\$ 15,000.00	\$ -	\$ -	\$ -	\$ 750.00	
061	Pipe Encasement	\$ 8,000.00	100.0%	\$ 8,000.00						100.0%	\$ 8,000.00	\$ -	\$ -	\$ -	\$ 400.00	
062	Concrete Work	\$ 103,140.00	100.0%	\$ 103,140.00						100.0%	\$ 103,140.00	\$ -	\$ -	\$ -	\$ 5,157.00	
063	Waterproof Below Grade Walls	\$ 5,000.00	100.0%	\$ 5,000.00						100.0%	\$ 5,000.00	\$ -	\$ -	\$ -	\$ 250.00	
064	Rebar	\$ 50,098.00	100.0%	\$ 50,098.00						100.0%	\$ 50,098.00	\$ -	\$ -	\$ -	\$ 2,504.90	
065	Rebar Install	\$ 19,200.00	100.0%	\$ 19,200.00						100.0%	\$ 19,200.00	\$ -	\$ -	\$ -	\$ 960.00	
066	Grating	\$ 7,164.00	100.0%	\$ 7,164.00						100.0%	\$ 7,164.00	\$ -	\$ -	\$ -	\$ 358.20	
067	Masonry	\$ 206,749.51	100.0%	\$ 206,749.51						100.0%	\$ 206,749.51	\$ -	\$ -	\$ -	\$ 10,337.48	
068	Structural Metal Material & Fab	\$ 90,000.00	100.0%	\$ 90,000.00						100.0%	\$ 90,000.00	\$ -	\$ -	\$ -	\$ 4,500.00	
069	Structural Metals Installed	\$ 47,500.00	100.0%	\$ 47,500.00						100.0%	\$ 47,500.00	\$ -	\$ -	\$ -	\$ 2,375.00	
070	Metal Decking Material & Fab	\$ 20,500.00	100.0%	\$ 20,500.00						100.0%	\$ 20,500.00	\$ -	\$ -	\$ -	\$ 1,025.00	
071	Metal Decking Installed	\$ 17,000.00	100.0%	\$ 17,000.00						100.0%	\$ 17,000.00	\$ -	\$ -	\$ -	\$ 850.00	
072	EPDM Roofing & Walkway Pads	\$ 42,650.00	100.0%	\$ 42,650.00						100.0%	\$ 42,650.00	\$ -	\$ -	\$ -	\$ 2,132.50	
073	Insulation	\$ 20,000.00	47.3%	\$ 9,450.00	52.8%	\$ 10,550.00	\$ -	\$ -	\$ -	100.0%	\$ 20,000.00	\$ -	\$ 527.50	\$ 10,022.50	\$ 1,000.00	
074	Gutters & Downspouts	\$ 8,000.00	81.3%	\$ 6,500.00	18.8%	\$ 1,500.00	\$ -	\$ -	\$ -	100.0%	\$ 8,000.00	\$ -	\$ 75.00	\$ 1,425.00	\$ 400.00	
075	Flashings & Trim	\$ 30,145.00	0.0%	\$ -	100.0%	\$ 30,145.00	\$ -	\$ -	\$ -	100.0%	\$ 30,145.00	\$ -	\$ 1,507.25	\$ 28,637.75	\$ 1,507.25	
076	Metal Roofing Materials	\$ 38,757.00	50.0%	\$ 19,378.50	50.0%	\$ 19,378.50	\$ -	\$ -	\$ -	100.0%	\$ 38,757.00	\$ -	\$ 968.99	\$ 18,409.58	\$ 1,937.85	
077	Metal Roofing Installation	\$ 60,288.00	20.0%	\$ 12,057.60	80.0%	\$ 48,230.40	\$ -	\$ -	\$ -	100.0%	\$ 60,288.00	\$ -	\$ 2,411.52	\$ 45,818.88	\$ 3,014.40	
078	Roof Hatches	\$ 6,000.00	100.0%	\$ 6,000.00						100.0%	\$ 6,000.00	\$ -	\$ -	\$ -	\$ 300.00	
079	Access Ladders	\$ 4,500.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 4,500.00	\$ -	\$ -	\$ -	
080	Doors	\$ 20,993.00	0.0%	\$ -	100.0%	\$ 20,993.00	\$ 20,993.00	\$ (20,993.00)	\$ -	100.0%	\$ 20,993.00	\$ -	\$ -	\$ -	\$ 1,049.65	
081	Windows	\$ 8,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 8,000.00	\$ -	\$ -	\$ -	
082	Overhead Door - Storage Room	\$ 12,056.00	100.0%	\$ 12,056.00						100.0%	\$ 12,056.00	\$ -	\$ -	\$ -	\$ 602.80	
083	Overhead Door - Membrane Room	\$ 11,570.00	100.0%	\$ 11,570.00						100.0%	\$ 11,570.00	\$ -	\$ -	\$ -	\$ 578.50	
084	Spray Foam Insulation	\$ 10,000.00	100.0%	\$ 10,000.00						100.0%	\$ 10,000.00	\$ -	\$ -	\$ -	\$ 500.00	
085	Sheet Rock	\$ 28,480.00	32.9%	\$ 9,375.00	28.1%	\$ 8,000.00	\$ -	\$ -	\$ -	61.0%	\$ 17,375.00	\$ 11,105.00	\$ 400.00	\$ 7,600.00	\$ 868.75	
086	Suspended Gypsum Board Ceiling	\$ 10,000.00	32.5%	\$ 3,250.00	60.0%	\$ 6,000.00	\$ -	\$ -	\$ -	92.5%	\$ 9,250.00	\$ 750.00	\$ 300.00	\$ 5,700.00	\$ 462.50	
087	Painting	\$ 20,000.00	95.0%	\$ 19,000.00	0.0%	\$ -	\$ -	\$ -	\$ -	95.0%	\$ 19,000.00	\$ 1,000.00	\$ -	\$ -	\$ 950.00	
088	Flooring	\$ 10,000.00	100.0%	\$ 10,000.00						100.0%	\$ 10,000.00	\$ -	\$ -	\$ -	\$ 500.00	
089	Tile Work	\$ 8,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 8,000.00	\$ -	\$ -	\$ -	
090	Insulated Metal Panels	\$ 20,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 20,000.00	\$ -	\$ -	\$ -	
091	Translucent Panels	\$ 66,352.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 66,352.00	\$ -	\$ -	\$ -	
092	Casework	\$ 23,764.00	4.2%	\$ 1,000.00	0.0%	\$ -	\$ 10,000.00	\$ -	\$ 10,000.00	4.2%	\$ 11,000.00	\$ 12,764.00	\$ -	\$ -	\$ 550.00	
093	Lockers	\$ 1,265.00	0.0%	\$ -	0.0%	\$ -	\$ 1,265.00	\$ -	\$ 1,265.00	0.0%	\$ 1,265.00	\$ -	\$ -	\$ -	\$ 63.25	
094	Locker Installation	\$ 500.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 500.00	\$ -	\$ -	\$ -	
095	Miscellaneous Office Furniture	\$ 1,741.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 1,741.00	\$ -	\$ -	\$ -	
096	Miscellaneous Bath Fixtures	\$ 1,500.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 1,500.00	\$ -	\$ -	\$ -	
097	Safety Equipment	\$ 1,800.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 1,800.00	\$ -	\$ -	\$ -	
098	Finish Carpentry Materials	\$ 15,000.00	66.7%	\$ 10,000.00	0.0%	\$ -	\$ -	\$ -	\$ -	66.7%	\$ 10,000.00	\$ 5,000.00	\$ -	\$ -	\$ 500.00	
099	Electrical & Controls	\$ 604,223.00	30.0%	\$ 181,266.29	15.0%	\$ 90,633.00	\$ 164,081.81	\$ -	\$ 164,081.81	45.0%	\$ 435,981.10	\$ 168,241.90	\$ 4,531.65	\$ 86,101.35	\$ 21,799.06	

Line Item No.	DESCRIPTION A	ORIGINAL ESTIMATE B LUMP SUM PRICES	PREVIOUS WORK COMPLETED C		THIS MONTH WORK COMPLETED D							TOTAL VALUE REMAINING G (B-F)	PAYMENT/RETAINAGE			
			Previous %	Previous Value	% This Month	This Month Value	This Month's Materials Added	Previous Stored Materials	Installed Materials	Balance of Materials Stored	Total %		Total Value	Retainage This Month	Payment This Month	Total Retainage
100	Plumbing	\$ 174,700.00	20.1%	\$ 35,100.00	4.3%	\$ 7,500.00	\$ -	\$ 95,043.70	\$ -	\$ 95,043.70	24.4%	\$ 137,643.70	\$ 37,056.30	\$ 375.00	\$ 7,125.00	\$ 6,882.19
101	HVAC	\$ 93,785.00	75.6%	\$ 70,925.00	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	75.6%	\$ 70,925.00	\$ 22,860.00	\$ -	\$ -	\$ 3,546.25
102	Piping	\$ 384,847.00	0.0%	\$ -	91.8%	\$ 353,226.94	\$ -	\$ 277,986.39	\$ (277,986.39)	\$ -	91.8%	\$ 353,226.94	\$ 31,620.06	\$ 3,762.03	\$ 71,478.52	\$ 17,661.35
103	Piping Installed	\$ 200,000.00	2.7%	\$ 5,314.93	5.0%	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	7.7%	\$ 15,314.93	\$ 184,685.07	\$ 500.00	\$ 9,500.00	\$ 765.75
104	Pipe Supports	\$ 81,512.00	100.0%	\$ 81,512.00							100.0%	\$ 81,512.00	\$ -	\$ -	\$ -	\$ 4,075.60
105	Pipe Supports Install	\$ 30,000.00	0.0%	\$ -	83.3%	\$ 25,000.00	\$ -	\$ -	\$ -	\$ -	83.3%	\$ 25,000.00	\$ 5,000.00	\$ 1,250.00	\$ 23,750.00	\$ 1,250.00
106	Mechanical Piping & Valves Installed	\$ 150,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 150,000.00	\$ -	\$ -	\$ -
107	Finished Water Pumps	\$ 36,900.00	0.0%	\$ -	95.0%	\$ 35,055.00	\$ -	\$ 35,055.00	\$ (35,055.00)	\$ -	95.0%	\$ 35,055.00	\$ 1,845.00	\$ -	\$ -	\$ 1,752.75
108	Finished Water Pumps Install	\$ 10,000.00	0.0%	\$ -	100.0%	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	100.0%	\$ 10,000.00	\$ -	\$ 500.00	\$ 9,500.00	\$ 500.00
109	Inline Static Mixer	\$ 19,573.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ 18,594.35	\$ -	\$ 18,594.35	0.0%	\$ 18,594.35	\$ 978.65	\$ -	\$ -	\$ 929.72
110*	Inline Static Mixer Install	\$ 10,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ 526.00	\$ -	\$ 526.00	0.0%	\$ 526.00	\$ 9,474.00	\$ -	\$ -	\$ 26.30
111	FRP Sodium Hypochlorite Tank	\$ 65,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 65,000.00	\$ -	\$ -	\$ -
112	FRP Sodium Hypo Tank Install	\$ 5,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 5,000.00	\$ -	\$ -	\$ -
113	On-Site Chlorine Generation System	\$ 100,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 100,000.00	\$ -	\$ -	\$ -
114*	On-Site Chlorine Gen System Install	\$ 15,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 15,000.00	\$ -	\$ -	\$ -
115	Aluminum Chlor-Hydrate System	\$ 43,541.25	0.0%	\$ -	92.7%	\$ 40,347.00	\$ -	\$ 40,347.00	\$ (40,347.00)	\$ -	92.7%	\$ 40,347.00	\$ 3,194.25	\$ -	\$ -	\$ 2,017.35
116*	Aluminum Chlor-Hydrate System Install	\$ 5,000.00	0.0%	\$ -	100.0%	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	100.0%	\$ 5,000.00	\$ -	\$ 250.00	\$ 4,750.00	\$ 250.00
117	Sodium Hypochlorite System	\$ 43,541.25	0.0%	\$ -	92.7%	\$ 40,347.00	\$ -	\$ 40,347.00	\$ (40,347.00)	\$ -	92.7%	\$ 40,347.00	\$ 3,194.25	\$ -	\$ -	\$ 2,017.35
118*	Sodium Hypochlorite System Install	\$ 8,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 8,000.00	\$ -	\$ -	\$ -
119	Sodium Hydroxide (Finished)	\$ 29,027.50	0.0%	\$ -	92.7%	\$ 26,898.00	\$ -	\$ 26,898.00	\$ (26,898.00)	\$ -	92.7%	\$ 26,898.00	\$ 2,129.50	\$ -	\$ -	\$ 1,344.90
120*	Sodium Hydroxide (Finished) Install	\$ 5,000.00	0.0%	\$ -	100.0%	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	100.0%	\$ 5,000.00	\$ -	\$ 250.00	\$ 4,750.00	\$ 250.00
121	Phosphoric Acid System	\$ 14,513.75	0.0%	\$ -	92.6%	\$ 13,445.00	\$ -	\$ 13,445.00	\$ (13,445.00)	\$ -	92.6%	\$ 13,445.00	\$ 1,068.75	\$ -	\$ -	\$ 672.25
122*	Phosphoric Acid System Install	\$ 6,000.00	0.0%	\$ -	100.0%	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -	100.0%	\$ 6,000.00	\$ -	\$ 300.00	\$ 5,700.00	\$ 300.00
123	Chemical Feed Start-up & Training	\$ 6,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 6,000.00	\$ -	\$ -	\$ -
124	Seismic Controller	\$ 72,965.00	0.0%	\$ -	100.0%	\$ 72,965.00	\$ -	\$ -	\$ -	\$ -	100.0%	\$ 72,965.00	\$ -	\$ 3,648.25	\$ 69,316.75	\$ 3,648.25
125*	Seismic Controller Install	\$ 10,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 10,000.00	\$ -	\$ -	\$ -
126*	Backwash Supply Pumps Install	\$ 10,000.00	100.0%	\$ 10,000.00							100.0%	\$ 10,000.00	\$ -	\$ -	\$ -	\$ 500.00
127*	UF/DF Sid Installation	\$ 10,000.00	100.0%	\$ 10,000.00							100.0%	\$ 10,000.00	\$ -	\$ -	\$ -	\$ 500.00
Clearwell Site																
128	Site Work/Excavation	\$ 25,000.00	100.0%	\$ 25,000.00							100.0%	\$ 25,000.00	\$ -	\$ -	\$ -	\$ 1,250.00
129	Backfill	\$ 15,000.00	100.0%	\$ 15,000.00							100.0%	\$ 15,000.00	\$ -	\$ -	\$ -	\$ 750.00
130	Finish Grading	\$ 5,000.00	100.0%	\$ 5,000.00							100.0%	\$ 5,000.00	\$ -	\$ -	\$ -	\$ 250.00
131	Concrete	\$ 10,000.00	100.0%	\$ 10,000.00							100.0%	\$ 10,000.00	\$ -	\$ -	\$ -	\$ 500.00
132	Rebar	\$ 1,702.00	100.0%	\$ 1,702.00							100.0%	\$ 1,702.00	\$ -	\$ -	\$ -	\$ 85.10
133	Rebar Install	\$ 5,000.00	100.0%	\$ 5,000.00							100.0%	\$ 5,000.00	\$ -	\$ -	\$ -	\$ 250.00
134	Install Pipe Encasements	\$ 1,200.00	100.0%	\$ 1,200.00							100.0%	\$ 1,200.00	\$ -	\$ -	\$ -	\$ 60.00
135	Clearwell 1 Pipe	\$ 29,398.00	100.0%	\$ 29,398.00							100.0%	\$ 29,398.00	\$ -	\$ -	\$ -	\$ 1,469.90
136	Clearwell 1 Pipe Installed	\$ 30,000.00	100.0%	\$ 30,000.00							100.0%	\$ 30,000.00	\$ -	\$ -	\$ -	\$ 1,500.00
137	Clearwell 2 Pipe										0.0%	\$ -	\$ -	\$ -	\$ -	
138	Clearwell 2 Pipe Installed										0.0%	\$ -	\$ -	\$ -	\$ -	
139	Clearwell Tank	\$ 431,700.00	100.0%	\$ 431,700.00							100.0%	\$ 431,700.00	\$ -	\$ -	\$ -	\$ 21,585.00
140	Clearwell Tank Coatings	\$ 180,000.00	99.4%	\$ 179,000.00	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	99.4%	\$ 179,000.00	\$ 1,000.00	\$ -	\$ -	\$ 8,950.00
141	Cathodic Protection	\$ 6,000.00	100.0%	\$ 6,000.00							100.0%	\$ 6,000.00	\$ -	\$ -	\$ -	\$ 300.00
142	Tank Chlorinating	\$ 5,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 5,000.00	\$ -	\$ -	\$ -
Backwash Basin																
143	Excavation	\$ 20,000.00	100.0%	\$ 20,000.00							100.0%	\$ 20,000.00	\$ -	\$ -	\$ -	\$ 1,000.00
144	Backfill	\$ 20,000.00	100.0%	\$ 20,000.00							100.0%	\$ 20,000.00	\$ -	\$ -	\$ -	\$ 1,000.00
145	Concrete	\$ 170,000.00	100.0%	\$ 170,000.00							100.0%	\$ 170,000.00	\$ -	\$ -	\$ -	\$ 8,500.00
146	Rebar	\$ 90,182.00	100.0%	\$ 90,182.00							100.0%	\$ 90,182.00	\$ -	\$ -	\$ -	\$ 4,509.10
147	Rebar Install	\$ 34,440.00	100.0%	\$ 34,440.00							100.0%	\$ 34,440.00	\$ -	\$ -	\$ -	\$ 1,722.00
148	Pipe	\$ 22,264.00	100.0%	\$ 22,264.00							100.0%	\$ 22,264.00	\$ -	\$ -	\$ -	\$ 1,113.20
149	Pipe Installed	\$ 12,000.00	100.0%	\$ 12,000.00							100.0%	\$ 12,000.00	\$ -	\$ -	\$ -	\$ 600.00
150	Cathodic Protection	\$ 2,000.00	100.0%	\$ 2,000.00							100.0%	\$ 2,000.00	\$ -	\$ -	\$ -	\$ 100.00
151	Sidewalk Door	\$ 5,000.00	100.0%	\$ 5,000.00							100.0%	\$ 5,000.00	\$ -	\$ -	\$ -	\$ 250.00

Line Item	DESCRIPTION A	ORIGINAL ESTIMATE B	PREVIOUS WORK COMPLETED C		THIS MONTH WORK COMPLETED							TOTAL VALUE REMAINING G (B-F)	PAYMENT/RETAINAGE				
			LUMP SUM PRICES	Previous %	Previous Value	% This Month	This Month Value	This Month's Materials Added	Previous Stored Materials	Installed Materials	Balance of Materials Stored		Total %	Total Value	Retainage This Month	Payment This Month	Total Retainage
152	Fencing	\$ 7,500.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 7,500.00	\$ -	\$ -	\$ -	
153	Handrail	\$ 6,469.00	0.0%	\$ -	0.0%	\$ -	\$ 6,469.00	\$ -	\$ -	\$ 6,469.00	0.0%	\$ 6,469.00	\$ -	\$ -	\$ -	\$ 323.45	
154	Paint	\$ 5,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 5,000.00	\$ -	\$ -	\$ -	
Intake Site																	
155	Excavation	\$ 49,878.00	100.0%	\$ 49,878.00							100.0%	\$ 49,878.00	\$ -	\$ -	\$ -	\$ 2,493.90	
156	Finish Grading	\$ 20,000.00	80.0%	\$ 16,000.00	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	80.0%	\$ 16,000.00	\$ 4,000.00	\$ -	\$ -	\$ 800.00	
157	Tree Removal	\$ 6,500.00	100.0%	\$ 6,500.00							100.0%	\$ 6,500.00	\$ -	\$ -	\$ -	\$ 325.00	
158	Pre-Load	\$ 48,000.00	100.0%	\$ 48,000.00							100.0%	\$ 48,000.00	\$ -	\$ -	\$ -	\$ 2,400.00	
159	Settlement Monitoring	\$ 5,000.00	100.0%	\$ 5,000.00							100.0%	\$ 5,000.00	\$ -	\$ -	\$ -	\$ 250.00	
160	Wick Drains	\$ 64,000.00	100.0%	\$ 64,000.00							100.0%	\$ 64,000.00	\$ -	\$ -	\$ -	\$ 3,200.00	
161	Erosion Control	\$ 30,000.00	100.0%	\$ 30,000.00							100.0%	\$ 30,000.00	\$ -	\$ -	\$ -	\$ 1,500.00	
162	RSS Fill	\$ 18,000.00	100.0%	\$ 18,000.00							100.0%	\$ 18,000.00	\$ -	\$ -	\$ -	\$ 900.00	
163	FESL Placement	\$ 25,000.00	100.0%	\$ 25,000.00							100.0%	\$ 25,000.00	\$ -	\$ -	\$ -	\$ 1,250.00	
164	Geogrid	\$ 39,690.00	100.0%	\$ 39,690.00							100.0%	\$ 39,690.00	\$ -	\$ -	\$ -	\$ 1,984.50	
165	Stilling Well Manholes	\$ 3,074.00	100.0%	\$ 3,074.00							100.0%	\$ 3,074.00	\$ -	\$ -	\$ -	\$ 153.70	
166	Vaults	\$ 16,951.00	100.0%	\$ 16,951.00							100.0%	\$ 16,951.00	\$ -	\$ -	\$ -	\$ 847.55	
167	Landscaping	\$ 25,000.00	40.0%	\$ 10,000.00	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	40.0%	\$ 10,000.00	\$ 15,000.00	\$ -	\$ -	\$ 500.00	
168	Helical Piles	\$ 60,000.00	100.0%	\$ 60,000.00							100.0%	\$ 60,000.00	\$ -	\$ -	\$ -	\$ 3,000.00	
169	Miscellaneous Concrete	\$ 13,000.00	84.6%	\$ 11,000.00	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	84.6%	\$ 11,000.00	\$ 2,000.00	\$ -	\$ -	\$ 550.00	
170	Site Piping	\$ 16,779.00	100.0%	\$ 16,779.00							100.0%	\$ 16,779.00	\$ -	\$ -	\$ -	\$ 838.95	
171	Site Piping Install	\$ 20,299.00	100.0%	\$ 20,299.00							100.0%	\$ 20,299.00	\$ -	\$ -	\$ -	\$ 1,014.95	
172	Fencing	\$ 7,500.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 7,500.00	\$ -	\$ -	\$ -	
173	Electrical	\$ 8,582.00	100.0%	\$ 8,582.00							100.0%	\$ 8,582.00	\$ -	\$ -	\$ -	\$ 429.10	
Intake Building																	
174	Concrete	\$ 12,000.00	100.0%	\$ 12,000.00							100.0%	\$ 12,000.00	\$ -	\$ -	\$ -	\$ 600.00	
175	Rebar	\$ 4,002.00	100.0%	\$ 4,002.00							100.0%	\$ 4,002.00	\$ -	\$ -	\$ -	\$ 200.10	
176	Rebar Install	\$ 1,520.00	100.0%	\$ 1,520.00							100.0%	\$ 1,520.00	\$ -	\$ -	\$ -	\$ 76.00	
177	Equipment Pads	\$ 800.00	100.0%	\$ 800.00	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	100.0%	\$ 800.00	\$ -	\$ -	\$ -	\$ 40.00	
178	Intake Building Electrical	\$ 380,134.00	7.7%	\$ 29,273.73	0.0%	\$ -	\$ 160,793.27	\$ -	\$ 160,793.27	\$ 160,793.27	7.7%	\$ 190,067.00	\$ 190,067.00	\$ -	\$ -	\$ 9,503.35	
179	Instrumentation & Controls	\$ 162,915.00	5.0%	\$ 8,146.00	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	5.0%	\$ 8,146.00	\$ 154,769.00	\$ -	\$ -	\$ 407.30	
180	Masonry	\$ 38,745.49	100.0%	\$ 38,745.49							100.0%	\$ 38,745.49	\$ -	\$ -	\$ -	\$ 1,937.27	
181	Metal Canopy	\$ 7,900.00	100.0%	\$ 7,900.00							100.0%	\$ 7,900.00	\$ -	\$ -	\$ -	\$ 395.00	
182	Metal Canopy Installation	\$ 5,500.00	100.0%	\$ 5,500.00							100.0%	\$ 5,500.00	\$ -	\$ -	\$ -	\$ 275.00	
183	Structural Metal Material & Fab	\$ 10,000.00	100.0%	\$ 10,000.00							100.0%	\$ 10,000.00	\$ -	\$ -	\$ -	\$ 500.00	
184	Structural Metals Installed	\$ 9,500.00	100.0%	\$ 9,500.00							100.0%	\$ 9,500.00	\$ -	\$ -	\$ -	\$ 475.00	
185	Metal Decking Material & Fab	\$ 5,000.00	100.0%	\$ 5,000.00							100.0%	\$ 5,000.00	\$ -	\$ -	\$ -	\$ 250.00	
186	Metal Decking Installed	\$ 3,500.00	100.0%	\$ 3,500.00							100.0%	\$ 3,500.00	\$ -	\$ -	\$ -	\$ 175.00	
187*	Sheet Metal Flashing & Trim	\$ 3,000.00	0.0%	\$ -	100.0%	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -	100.0%	\$ 3,000.00	\$ -	\$ 150.00	\$ 2,850.00	\$ 150.00	
188	EPDM Roofing & Walkway Pads	\$ 15,000.00	100.0%	\$ 15,000.00							100.0%	\$ 15,000.00	\$ -	\$ -	\$ -	\$ 750.00	
189	Roof Hatches	\$ 6,000.00	100.0%	\$ 6,000.00							100.0%	\$ 6,000.00	\$ -	\$ -	\$ -	\$ 300.00	
190	Roof Access Ladder	\$ 4,500.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 4,500.00	\$ -	\$ -	\$ -	
191	Gutters & Downspouts	\$ 3,000.00	50.0%	\$ 1,500.00	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	50.0%	\$ 1,500.00	\$ 1,500.00	\$ -	\$ -	\$ 75.00	
192	Building Plaque	\$ 3,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 3,000.00	\$ -	\$ -	\$ -	
193	Doors	\$ 4,586.00	0.0%	\$ -	100.0%	\$ 4,586.00	\$ -	\$ 4,586.00	\$ (4,586.00)	\$ -	100.0%	\$ 4,586.00	\$ -	\$ -	\$ -	\$ 229.30	
194	Insulation	\$ 4,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 4,000.00	\$ -	\$ -	\$ -	
195	Sound Absorbing Panels	\$ 5,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 5,000.00	\$ -	\$ -	\$ -	
196	Painting Interior	\$ 8,000.00	100.0%	\$ 8,000.00							100.0%	\$ 8,000.00	\$ -	\$ -	\$ -	\$ 400.00	
197	Plumbing	\$ 15,000.00	0.0%	\$ -	0.0%	\$ -	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 5,000.00	0.0%	\$ 5,000.00	\$ 10,000.00	\$ -	\$ -	\$ 250.00	
198	Piping Supply	\$ 6,000.00	0.0%	\$ -	0.0%	\$ -	\$ 2,710.47	\$ -	\$ 2,710.47	\$ 2,710.47	0.0%	\$ 2,710.47	\$ 3,289.53	\$ -	\$ -	\$ 135.52	
199	Piping Installed	\$ 2,500.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 2,500.00	\$ -	\$ -	\$ -	
200	HVAC	\$ 27,215.00	76.5%	\$ 20,820.00	14.5%	\$ 3,942.43	\$ -	\$ -	\$ -	\$ -	91.0%	\$ 24,762.43	\$ 2,452.57	\$ 197.12	\$ 3,745.31	\$ 1,238.12	
201	Cathodic Protection	\$ 3,000.00	100.0%	\$ 3,000.00							100.0%	\$ 3,000.00	\$ -	\$ -	\$ -	\$ 150.00	
202	Sodium Permanganate	\$ 29,027.50	0.0%	\$ -	0.0%	\$ -	\$ 26,898.00	\$ -	\$ 26,898.00	\$ 26,898.00	0.0%	\$ 26,898.00	\$ 2,129.50	\$ -	\$ -	\$ 1,344.90	
203*	Sodium Permanganate Install	\$ 6,435.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 6,435.00	\$ -	\$ -	\$ -	
204	Sodium Hydroxide System (Intake)	\$ 14,513.75	0.0%	\$ -	0.0%	\$ -	\$ 13,445.00	\$ -	\$ 13,445.00	\$ 13,445.00	0.0%	\$ 13,445.00	\$ 1,068.75	\$ -	\$ -	\$ 672.25	

Line Item No.	DESCRIPTION A	ORIGINAL ESTIMATE B LUMP SUM PRICES	PREVIOUS WORK COMPLETED C		THIS MONTH WORK COMPLETED D, E, F							TOTAL VALUE REMAINING G (B-F)	PAYMENT/RETAINAGE			
			Previous %	Previous Value	% This Month	This Month Value	This Month's Materials Added	Previous Stored Materials	Installed Materials	Balance of Materials Stored	Total %		Total Value	Retainage This Month	Payment This Month	Total Retainage
205*	Sodium Hydroxide System (Intake) Install	\$ 6,435.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 6,435.00	\$ -	\$ -	\$ -	
206	Chemical Feed Start-Up & Training	\$ 6,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 6,000.00	\$ -	\$ -	\$ -	
Raw Water Intake Pump Station																
207	Concrete	\$ 14,669.00	100.0%	\$ 14,669.00						100.0%	\$ 14,669.00	\$ -	\$ -	\$ -	\$ 733.45	
208	Rebar	\$ 6,587.00	100.0%	\$ 6,587.00						100.0%	\$ 6,587.00	\$ -	\$ -	\$ -	\$ 329.35	
209	Rebar Install	\$ 2,520.00	100.0%	\$ 2,520.00						100.0%	\$ 2,520.00	\$ -	\$ -	\$ -	\$ 126.00	
210	Dewatering & Cofferdam	\$ 85,000.00	100.0%	\$ 85,000.00						100.0%	\$ 85,000.00	\$ -	\$ -	\$ -	\$ 4,250.00	
211	Piping	\$ 53,470.00	100.0%	\$ 53,470.00						100.0%	\$ 53,470.00	\$ -	\$ -	\$ -	\$ 2,673.50	
212	Piping Installed	\$ 9,500.00	100.0%	\$ 9,500.00						100.0%	\$ 9,500.00	\$ -	\$ -	\$ -	\$ 475.00	
213	Mechanical Installed	\$ 76,430.00	100.0%	\$ 76,430.00						100.0%	\$ 76,430.00	\$ -	\$ -	\$ -	\$ 3,821.50	
214	Cathodic Protection	\$ 2,000.00	100.0%	\$ 2,000.00						100.0%	\$ 2,000.00	\$ -	\$ -	\$ -	\$ 100.00	
215	Grating	\$ 3,975.00	0.0%	\$ -	0.0%	\$ -	\$ 3,312.00	\$ -	\$ 3,312.00	0.0%	\$ 3,312.00	\$ 663.00	\$ -	\$ -	\$ 165.60	
216	Sidewalk Hatch	\$ 6,000.00	100.0%	\$ 6,000.00						100.0%	\$ 6,000.00	\$ -	\$ -	\$ -	\$ 300.00	
217	Aluminum Hatch	\$ 18,500.00	100.0%	\$ 18,500.00						100.0%	\$ 18,500.00	\$ -	\$ -	\$ -	\$ 925.00	
218	Fish Screening System	\$ 44,810.00	41.5%	\$ 18,578.15	0.0%	\$ -	\$ 26,231.85	\$ -	\$ 26,231.85	41.5%	\$ 44,810.00	\$ -	\$ -	\$ -	\$ 2,240.50	
219	Fish Screening System Install	\$ 10,000.00	100.0%	\$ 10,000.00						100.0%	\$ 10,000.00	\$ -	\$ -	\$ -	\$ 500.00	
220	Raw Water Intake Pumps	\$ 109,000.00	100.0%	\$ 109,000.00						100.0%	\$ 109,000.00	\$ -	\$ -	\$ -	\$ 5,450.00	
221	Raw Water Intake Pumps Install	\$ 5,000.00	90.0%	\$ 4,500.00	0.0%	\$ -	\$ -	\$ -	\$ -	90.0%	\$ 4,500.00	\$ 500.00	\$ -	\$ -	\$ 225.00	
222	Pump Cans	\$ 30,000.00	100.0%	\$ 30,000.00						100.0%	\$ 30,000.00	\$ -	\$ -	\$ -	\$ 1,500.00	
223	Paint	\$ 4,500.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 4,500.00	\$ -	\$ -	\$ -	
123rd Pump Station (Lost Creek)																
224	Concrete Pad	\$ 3,000.00	100.0%	\$ 3,000.00						100.0%	\$ 3,000.00	\$ -	\$ -	\$ -	\$ 150.00	
225	Electrical and Controls	\$ 8,936.00	30.0%	\$ 2,682.00	0.0%	\$ -	\$ -	\$ -	\$ -	30.0%	\$ 2,682.00	\$ 6,254.00	\$ -	\$ -	\$ -	
226	Booster Pump Station	\$ 123,924.00	100.0%	\$ 123,924.00						100.0%	\$ 123,924.00	\$ -	\$ -	\$ -	\$ 6,196.20	
227	Piping	\$ 15,794.00	100.0%	\$ 15,794.00						100.0%	\$ 15,794.00	\$ -	\$ -	\$ -	\$ 789.70	
228	Piping Installed	\$ 6,000.00	91.7%	\$ 5,500.00	0.0%	\$ -	\$ -	\$ -	\$ -	91.7%	\$ 5,500.00	\$ 500.00	\$ -	\$ -	\$ 275.00	
98th PRV																
229	Electrical and Controls	\$ 8,630.00	30.0%	\$ 2,589.00	40.0%	\$ 3,452.00	\$ -	\$ -	\$ -	70.0%	\$ 6,041.00	\$ 2,589.00	\$ 172.60	\$ 3,279.40	\$ 302.05	
230	Piping	\$ 11,398.00	100.0%	\$ 11,398.00						100.0%	\$ 11,398.00	\$ -	\$ -	\$ -	\$ 569.90	
231	Piping Installed	\$ 4,500.00	100.0%	\$ 4,500.00						100.0%	\$ 4,500.00	\$ -	\$ -	\$ -	\$ 225.00	
Added Items for Install																
232	Secondary Containment @ Intake Building	\$ 3,800.00	100.0%	\$ 3,800.00						100.0%	\$ 3,800.00	\$ -	\$ -	\$ -	\$ 190.00	
233	Secondary Containment @ Membrane	\$ 10,000.00	100.0%	\$ 10,000.00						100.0%	\$ 10,000.00	\$ -	\$ -	\$ -	\$ 500.00	
234	Air Burst System Install	\$ 8,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 8,000.00	\$ -	\$ -	\$ -	
235	Stair & Sidewalk @ Backwash Basin	\$ 11,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 11,000.00	\$ -	\$ -	\$ -	
236	UF Membrane Install	\$ 22,000.00	100.0%	\$ 22,000.00						100.0%	\$ 22,000.00	\$ -	\$ -	\$ -	\$ 1,100.00	
237	UF Feed Pumps Install	\$ 10,000.00	100.0%	\$ 10,000.00						100.0%	\$ 10,000.00	\$ -	\$ -	\$ -	\$ 500.00	
238	UF Feed Tank Install	\$ 5,000.00	100.0%	\$ 5,000.00						100.0%	\$ 5,000.00	\$ -	\$ -	\$ -	\$ 250.00	
239	Air Compressors Install	\$ 10,000.00	100.0%	\$ 10,000.00						100.0%	\$ 10,000.00	\$ -	\$ -	\$ -	\$ 500.00	
240	Air Receiver Install	\$ 5,000.00	100.0%	\$ 5,000.00						100.0%	\$ 5,000.00	\$ -	\$ -	\$ -	\$ 250.00	
241	CIP Tank Install	\$ 6,000.00	50.0%	\$ 3,000.00	50.0%	\$ 3,000.00	\$ -	\$ -	\$ -	100.0%	\$ 6,000.00	\$ -	\$ 150.00	\$ 2,850.00	\$ 300.00	
242	Water Softeners Install	\$ 5,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 5,000.00	\$ -	\$ -	\$ -	
243	Neutralization Tank Install	\$ 10,000.00	50.0%	\$ 5,000.00	50.0%	\$ 5,000.00	\$ -	\$ -	\$ -	100.0%	\$ 10,000.00	\$ -	\$ 250.00	\$ 4,750.00	\$ 500.00	
244	Sulfuric Acid Feed System Install	\$ 6,000.00	0.0%	\$ -	25.0%	\$ 1,500.00	\$ -	\$ -	\$ -	25.0%	\$ 1,500.00	\$ 4,500.00	\$ 75.00	\$ 1,425.00	\$ 75.00	
245	Citric Acid Feed System	\$ 6,000.00	0.0%	\$ -	100.0%	\$ 6,000.00	\$ -	\$ -	\$ -	100.0%	\$ 6,000.00	\$ -	\$ 300.00	\$ 5,700.00	\$ 300.00	
246	Calcium Thiosulfate Feed System	\$ 6,000.00	0.0%	\$ -	100.0%	\$ 6,000.00	\$ -	\$ -	\$ -	100.0%	\$ 6,000.00	\$ -	\$ 300.00	\$ 5,700.00	\$ 300.00	
247	Sodium Hypochlorite Tank Install	\$ 10,000.00	0.0%	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ 10,000.00	\$ -	\$ -	\$ -	
248	Membrane	\$ 8,000.00	100.0%	\$ 8,000.00						100.0%	\$ 8,000.00	\$ -	\$ -	\$ -	\$ 400.00	
249	Facility Marker @ Membrane	\$ 10,000.00	0.0%	\$ -	0.0%	\$ -	\$ 3,140.10	\$ -	\$ 3,140.10	0.0%	\$ 3,140.10	\$ 6,859.90	\$ -	\$ -	\$ 157.01	
Original Contract Subtotals		\$ 10,690,000.00		\$ 7,267,695.00		\$ 947,882.27	\$ -	\$ 1,000,537.94	\$ (463,027.39)	\$ 537,510.55	\$ 8,753,087.82	\$ 1,936,912.18	\$ 23,492.74	\$ 460,612.14	\$ 437,654.39	

Change Orders

Line Item No.	DESCRIPTION A	ORIGINAL ESTIMATE B LUMP SUM PRICE	PREVIOUS WORK COMPLETED C		THIS MONTH WORK COMPLETED D E F								TOTAL VALUE REMAINING G (B-F)	PAYMENT/RETAINAGE				
			Previous %	Previous Value	% This Month	This Month Value	This Month's Materials Added	Previous Stored Materials	Installed Materials	Balance of Materials Stored	Total %	Total Value		Retainage This Month	Payment This Month	Total Retainage		
CO 001	Contract Time Change - NO Cost	\$ -																
CO 002	Fish Salvage Operations	\$ 3,372.86	100.0%	\$ 3,372.86								100.0%	\$ 3,372.86	\$ -	\$ -	\$ -	\$ 168.64	
CO 003	CLSM Credit	\$ (60,524.00)	100.0%	\$ (60,524.00)								100.0%	\$ (60,524.00)	\$ -	\$ -	\$ -	\$ (3,026.20)	
CO 004	Helical Piles Install	\$ 9,199.49	100.0%	\$ 9,199.49								100.0%	\$ 9,199.49	\$ -	\$ -	\$ -	\$ 459.97	
CO 005	Bentonite Sub on Access Roads	\$ (6,849.36)	100.0%	\$ (6,849.36)								100.0%	\$ (6,849.36)	\$ -	\$ -	\$ -	\$ (342.47)	
CO 006	Credit for Water Services	\$ (4,972.47)	100.0%	\$ (4,972.47)								100.0%	\$ (4,972.47)	\$ -	\$ -	\$ -	\$ (248.62)	
CO 007	Contract Extension - No Cost	\$ -												\$ -	\$ -	\$ -	\$ -	
CO 008	Backwash Basin	\$ 23,744.84	36.3%	\$ 8,629.21	54.7%	\$ 12,980.00	\$ -	\$ 10,135.46	\$ (10,135.46)	\$ -	91.0%	\$ 21,609.21	\$ 2,135.63	\$ 142.23	\$ 2,702.31	\$ 1,080.46		
CO 009	PS 123rd Pump Station	\$ 26,711.25	71.8%	\$ 19,181.44	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	71.8%	\$ 19,181.44	\$ 7,529.81	\$ -	\$ -	\$ 959.07		
ADJUSTED CONTRACT TOTALS		\$ 10,680,682.61		\$ 7,235,732.17		\$ 960,862.27	\$ -	\$ 1,010,673.40	\$ (473,162.85)	\$ 537,510.55	82%	\$ 8,734,104.99	\$ 1,946,577.62	\$ 23,634.97	\$ 463,314.45	\$ 436,705.25		

MONTHLY INVOICE SUMMARY

TOTAL WORK COMPLETED TO DATE, Line 5a	\$ 8,196,594.44
Materials On Hand	\$ 1,010,673.40
Installed Materials	\$ (473,162.85)
Materials - Installed = Line 5b	\$ 537,510.55
SUB TOTAL, Line 4	\$ 8,734,104.99
Retainage 5%, Line 5c	\$ 436,705.25
SUB TOTAL LESS RETAINAGE, Line 6	\$ 8,297,399.74
LESS: PREVIOUS PAYMENTS, Line 7	\$ 7,834,085.29
TOTAL PAYMENT DUE, Line 8	\$ 463,314.45



1037 NW Grebe Street
Seal Rock, Oregon 97376
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Seal Rock Water District

General Manager's Report:
Board Meeting November 15, 2021

This report is an executive summary provided with this Board agenda to Commissioners with recommended actions if any. Detailed information, staff reports, and supporting materials are provided within the full agenda packet.

PHASE-IV BEAVER CREEK SOURCE WATER PROJECT:

District staff and engineer along with funding partners from USDA-RD meet bi-weekly with R&G Excavating to discuss project activities, schedule, and status. Construction at the WTP site includes continued work to complete grading around the backwash basins and membrane building. Contractor has mobilized membrane treatment equipment in the building and is beginning to place equipment in various areas for operation. Roofing construction of the membrane building has been completed and the contractor is framing windows of the operation and control room. Electricians and plumbers are also on site installing electrical wiring and piping for the WTP. Major construction activities include:

Membrane Building:

- o Steel decking placement and interior painting of walls, deck, and beams
- o Washing of exterior walls
- o Rebar and formwork for equipment pads is complete
- o Insulation board, control joint sealants, roof installation, metal soffit flashing installation
- o WesTech equipment was delivered to the Membrane Building and located in place
- o Interior framing and insulation of interior rooms is now complete
- o HVAC installation is in final phase of installation



Air Compressors/Treatment Building:



Solution Tanks/Treatment Building:

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Adam Denlinger, General Manager

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- **Intake Site:**

- o CMU walls and exterior shell complete
- o Canopy installed
- o Beams and roof installed
- o Interior painting, HVAC and mechanical piping in progress



Beaver Creek Intake:



Beaver Creek Intake, Pre-Treatment Room:

- **123rd Pump Station and PRV:**

- o Conduit installation to pump station
- o Functional testings complete

- **Clearwell Tank:**

- o Sandblasting of weld zones and exterior shell
- o Intermediate coating applied
- o Completed finish coating applied

- **Bridge Crossing:**

- o Welding of remaining brackets completed
- o Carrier pipe sealed at mid-span of pipe casing completed
- o Installation of conduits on brackets with the addition of mid-span supports



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- **General Site:**

- o Completion of yard piping utilities between Membrane Building and Backwash Basin
- o Duct bank installation to transformer at WTP site and installation of meter cabinet
- o NW retaining wall was rebuilt
- o Finish grading at southeast corner of the site
- o Regrading of roadway between Backwash Basin and Membrane Building



The Contractor continues to make steady progress in construction. Per recent design progress schedule, which does not meet contract dates, the approximate slippage that the Contractor is showing is an additional 86 days. These dates can only be approved via change order. Jacob's software integration team continues to coordinate with the contractor's subcontractor and WesTech to complete software development. Software integration between WesTech and the balance of the plant is underway with programming and testing in progress.

OTHER NOTABLE ACTIVITIES FOR THE MONTH INCLUDE:

- o Attended on-site Beaver Creek water quality and flow monitoring field data collection.
- o Reviewed Engineers Requests for Information (RFI's) for the Beaver Creek Project.
- o Coordinated tank inspection of the Driftwood and Lost Creek Reservoirs.
- o Conducted interview with potential WTP Lead Operator.
- o Attended SDAO joint SDIS/SDAO Board Member Meeting - November 3rd and 4th.
- o Attended October 2021 Oregon Water Utility Council Meeting.
- o Attended OWRD Place Based Planning Evaluation of the Mid-Coast Water Planning Partnership.
- o Attended the Mid-Coast Water Conservation Consortium Meeting.
- o Attended video conferences with engineers, contractors, and USDA to discuss submittals and schedule for work on the Beaver Creek Source water project.
- o Hosted SRWD safety/staff meeting.

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Adam Denlinger, General Manager

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RESOLUTION NO. 1121-01

A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF THE SEAL ROCK WATER DISTRICT, OREGON INSTALLMENT WATER GENERAL OBLIGATION BOND, PHASE 4, IN THE PRINCIPAL SUM OF NOT TO EXCEED \$6,549,000 TO THE UNITED STATES OF AMERICA, FOR THE PURPOSE OF PROVIDING A PORTION OF THE COSTS OF IMPROVEMENTS TO THE DISTRICT'S WATER SYSTEM; PROVIDING FOR THE FORM AND TERMS OF SAID BOND AND AUTHORIZING THE PAYMENT OF SAME.

WHEREAS, the Board of Commissioners (the "Board") of the Seal Rock Water District, Oregon (the "District" or "Borrower"), has been duly authorized by a majority vote of the voters of the District voting at an election held November 8, 2011, to issue general obligation bonds in an amount not to exceed the sum of \$15,000,000, to finance improvements to the District's water system (the "Facility") and pay related costs and the District has \$6,549,000 of remaining authority under the measure approved at the election held November 8, 2011; and

WHEREAS, the Board of the District adopted RUS Bulletin 1780-27 Loan Resolution on October 22, 2020 to, among other things, authorize the District to have prepared a resolution authorizing the issuance of a General Obligation Bond; and

WHEREAS, the United States of America, acting through the United States Department of Agriculture, Rural Utilities Service (the "Government") appropriated \$6,549,000 as set forth in a Letter of Conditions dated July 2, 2019, as amended by Amendment No. 1 dated May 11, 2020, Amendment No. 2 dated November 9, 2020, and Amendment No. 3 dated November 4, 2021, and may be further amended, to loan that amount to the District at an interest rate of 1.75% per annum to refund the District's outstanding interim financing that was used to pay for improvements to the Facility, costs of issuance of the refinancing and this financing, and interest on the interim financing (the "Interim Financing"); and

WHEREAS, the District has been directed to proceed in accordance with law to issue a bond, and concurrently therewith and subsequent thereto the District has commenced negotiations with the Government for financial assistance to improve the Facility; and,

WHEREAS, the Government has indicated a desire to consider financial assistance and, as a result, it is necessary to cause the execution and delivery of a bond to secure any loan or loans made by the Government and to comply with any requirements, terms, and conditions prescribed by the Government or by Government regulations and to execute contracts or enter into agreements and to take any and all other action as may be necessary, incidental or appropriate to improve the Facility for and on behalf of the District;

NOW, THEREFORE, THE BOARD OF THE SEAL ROCK WATER DISTRICT, OREGON, RESOLVES AS FOLLOWS:

Section 1. It is necessary to finance a portion of the costs of improving the Facility by obtaining a loan made by the Government in accordance with the applicable provisions of the Rural Development Act of 1972, and the Government has acknowledged that the District is unable to obtain sufficient credit elsewhere to finance the Facility taking into consideration prevailing private and cooperative rates and terms concurrently available.

Section 2. The District shall borrow \$6,549,000 and issue as evidence thereof an Installment Water General Obligation Bond, Phase 4 (the "Bond") for the full principal amount of the loan. The Bond shall repay the Interim Financing and costs of refinancing and this financing. The Bond shall be dated with the date of delivery thereof, and shall be in substantially the following form, with such changes as the Authorized Representative, as defined below, shall approve:

[Begin form of Bond]

UNITED STATES OF AMERICA
STATE OF OREGON

SEAL ROCK WATER DISTRICT

INSTALLMENT WATER GENERAL OBLIGATION BOND, PHASE 4

KNOW ALL MEN BY THESE PRESENTS: The Seal Rock Water District, Oregon, hereinafter called the "Borrower", hereby acknowledges itself indebted and for value received promises to pay to the order of the United States of America, acting through the United States Department of Agriculture, Rural Utilities Service hereinafter called the "Government", the principal sum of Six Million Five Hundred Forty-Nine Thousand Dollars (\$6,549,000) plus interest on the unpaid principal balance at the rate of 1.75% per annum. The said principal and interest shall be payable in the following installments on or before the following dates:

The sum of \$325,682 on the 17th day of December, 2022, and the sum of \$325,682 annually thereafter on the 17th day of December, until the principal and said interest are fully paid, except that the final installment of the entire indebtedness evidenced hereby, if not sooner paid, shall be due and payable twenty-five (25) years from the date of this bond.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower without premium. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down the Borrower debt, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled in the security instruments.

This bond shall be registered as to principal and interest in the name of the United States of America, United States Department of Agriculture Rural Development, National Financial and Accounting Operations Center, 4300 Goodfellow Blvd., FC-1411, Building 104-2 Post J48, Saint Louis, MO 63120, in an appropriate book in the Office of the Borrower, each registration to be noted on the Bond Registration Certificate attached hereto by the Board President or

another board member of the Borrower and no transfer hereof shall be valid unless made on said book and similarly noted on the Bond Registration Certificate.

Both the principal and interest shall be paid to the United States of America (as such registered holder) by pre-authorized debit to the United States Department of Agriculture, Rural Utilities Service.

Default hereunder shall constitute default under any other instrument evidencing a debt of Borrower owing to or insured by the Government or securing or otherwise relating to such a debt, and default under any other such instrument shall constitute default hereunder. Upon default the Government, at its option, may declare all or any part of the indebtedness immediately due and payable.

This bond is given as evidence of a loan to Borrower made by the Government pursuant to the Rural Development Act of 1972, as amended, and shall be subject to the present regulations of the Government or its successor agency not inconsistent with the express provisions hereof.

This bond is authorized by virtue of a majority vote of the legal voters of the District voting at an election on November 8, 2011 and by Resolution No. 1121-01 adopted by the Board on November 15, 2021 (the "Resolution"), and pursuant to the Constitution and Laws of the State of Oregon, and laws amendatory thereof and supplemental thereto.

This bond is a general obligation of the District. Pursuant to ORS 287A.315, the full faith and credit of the District are pledged to the owner of the bond for the punctual payment of such obligation, when due. The District covenants to levy annually a direct ad valorem tax upon all of the taxable property within the District in an amount without limitation as to rate or amount, and outside of the limitations of sections 11 and 11b, Article XI of the Oregon Constitution, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, to pay interest accruing and the principal maturing on the bond promptly when and as it becomes due.

This bond is exchangeable at the sole expense of the Borrower at any time, upon ninety (90) days written notice, at the request of the registered owner hereof, and upon surrender of this bond to the Borrower at the Office of the Borrower for registered bonds of the denomination of \$5,000.00 each, or integral multiples thereof, in the aggregate principal amount equal to the unpaid principal amount of the bond, and bearing interest on the unpaid principal balances at the rate of 1.75% per annum.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen, and be performed precedent to and in the issuance of this bond have existed, have happened, and have been performed in due time, form and manner as required by law, that the amount of this bond, together with all obligations of the Borrower, does not exceed any limits prescribed by the Constitution and Statutes of the State of Oregon and the Resolution of the Borrower.

IN WITNESS WHEREOF, the Seal Rock Water District, Oregon has caused this bond to be signed by the Board President of the District and attested by another board member of the District, all on the 17th day of December, 2021.

SEAL ROCK WATER DISTRICT, OREGON

By _____
Board President

ATTEST:

By _____
Board Member

BOND REGISTRATION CERTIFICATE
 SEAL ROCK WATER DISTRICT, OREGON
 INSTALLMENT WATER GENERAL OBLIGATION BOND, PHASE 4

DATE: December 17, 2021

Registered in name of:
 United States of America

By:

Board President

[End form of Bond]

Section 3. Pursuant to ORS 287A.315, the District pledges the full faith and credit of the District to the owner of the Bond for the punctual payment of the principal of and interest on the Bond, when due. The District covenants to levy annually a direct ad valorem tax upon all of the taxable property within the District in an amount without limitation as to rate or amount, and outside of the limitations of sections 11 and 11b, Article XI of the Oregon Constitution, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, to pay interest accruing and the principal maturing on the Bond promptly when and as it becomes due.

Section 4. The Finance Manager shall be the custodian of all funds of the Facility and all funds shall be deposited in a bank which is a member of the Federal Deposit Insurance Corporation or in the Local Government Investment Pool. The Finance Manager shall execute a Fidelity Bond in an amount not less than \$325,682 with a surety company approved by the Government and the amount thereof shall not be reduced without the prior written consent of the Government.

(a) Construction Account. The proceeds of the Bond hereby authorized and any interim financing acquired shall be deposited in the Construction Account. Amounts in the Construction Account exceeding \$250,000.00 shall either be secured by the depository bank in advance in accordance with State and Federal law or deposited in the Oregon Local Government Investment Pool. Withdrawal from the Construction Account shall be made only on checks signed by any of the following Authorized Representatives: the Finance Manager or a member of the Board, as authorized by the Board of Commissioners, and only for the purposes for which said bond was issued as specified in the estimate of costs; provided, however, that the proceeds of the Bond deposited in the Construction Account may be used to retire any interim financing. The District's share of any liquidated damages and other monies paid by defaulting contractors or

their sureties will be deposited in the Construction Account to assure completion of the projects financed with the Interim Financing. When the construction of the Facility has been completed or all construction costs have been paid in full, any balance remaining in the Construction Account shall be used to pay down the Bond by applying such amounts to the installments last to become due under the Bond and shall not affect the obligation of the District to pay the remaining installments as scheduled. The Construction Account shall then be closed.

(b) Debt Service Account. The District shall maintain the Debt Service Account in the District's Debt Service Fund for the payment of principal, premium, if any, and interest on the Bond as they become due. All accrued interest, if any, and all taxes levied and other moneys available for the payment of the Bond shall be deposited to the Debt Service Account.

(c) Short-Lived Asset Replacement Reserve Account. The Borrower shall establish and maintain a Short-Lived Asset Replacement Reserve Account ("SLARRA"), which may be the same SLARRA established under Borrower Resolution No. 1120-01 for the related Installment Water Revenue Bond. The Borrower shall set aside and deposit in the SLARRA the sum of not less than \$112,564 annually, in the aggregate for both the Bond and the Installment Water Revenue Bond. Amounts in the SLARRA shall be used and disbursed only for the purpose of replacing facility assets with an estimated life of less than fifteen years. Approval by the Government is not required prior to the use of amounts in the SLARRA.

Section 5. Borrower covenants and agrees that so long as the Bond hereby authorized remains unpaid:

(a) Borrower will indemnify the Government for any payments made or losses suffered by the Government as a result of or in connection with the Facility.

(b) Borrower will comply with applicable State laws and regulations and continually operate and maintain the Facility in good condition.

(c) Borrower will ensure that there is sufficient funding to provide for the operation and maintenance of the Facility and will levy and collect sufficient taxes to provide for the payments on the bond hereby authorized and the maintenance of the various funds herein created; that all use of the Facility shall be subject to the full rates prescribed in the rules and regulations of the District; and that no free use of the Facility will be permitted.

(d) Borrower will maintain complete books and records relating to the operation of the Facility and its financial affairs and will cause such books and records to be audited annually at the end of each fiscal year and an audit report prepared, and will furnish the Government, without request, a copy of each annual audit report. At all reasonable times the Government shall have the right to inspect the Facility and the records, accounts and data of Borrower relating thereto.

(e) Borrower will maintain such insurance coverage as may be required by the Government.

(f) Borrower will not borrow money from any source or enter into any contract or agreement or incur any other liabilities in connection with making extensions or improvements

to the Facility, exclusive of normal maintenance, without obtaining the prior written consent of the Government.

(g) Borrower will not dispose of or transfer its title to the Facility or any part thereof (except for portions of the Facility that are obsolete), including lands and interest in lands, by sale, mortgage, lease, or other encumbrance, without prior written consent of the Government. For so long as the Bond is held by the Government, the Borrower will not defease the Bond without the prior written consent of the Government.

(h) Borrower will cause to charge such rates as may be necessary to operate and maintain the Facility in good condition and will cause to be levied and collected such taxes as may be necessary to meet payments on the Bond when the same become due.

(i) Borrower will comply with all federal laws and regulations to maintain the tax-exempt status of Bond interest from Federal income taxation and Oregon personal income taxation.

(j) Borrower agrees to comply with the requirements of the Government as contained in the July 2, 2019 Letter of Conditions, as amended by Amendment No. 1 dated May 11, 2020, Amendment No. 2 dated November 9, 2020, Amendment No. 3 dated November 4, 2021, and as may be further amended, and in the RUS Bulletin 1780-27, Loan Resolution.

Section 6. If at any time it shall appear to the Government that Borrower is able to refinance the amount of the Bond then outstanding, in whole or in part, by obtaining a loan for such purposes from responsible cooperative or private credit sources, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon request of the Government, apply for and accept such loan in an amount sufficient to repay the Government and will take all such actions as may be required in connection with such loan.

Section 7. The Board designates the Board President, Board Treasurer or any other member of the Board, General Manager or Finance Manager, or their designee (the "Authorized Representative"), to act on behalf of the District and determine the terms of the Bond and to execute any certificates, documents or agreements and take any other action that the Authorized Representative determines are desirable to issue, sell and deliver the Bond in accordance with this Resolution.

Section 8. The Authorized Representative is hereby authorized and directed to execute for and on behalf of Borrower Form RD 400-1, "Equal Opportunity Agreement", Form RD 400-4, "Assurance Agreement", as required by the provisions of Title VI of the Civil Rights Act of 1964, Form RD 1942-47, "Loan Resolution", Form RD 442-21, "Right-of-Way Certificate", Form RD 1942-46, "Letter of Intent to Meet Conditions", Form RD 1910-11, "Applicant Certification Federal Collection Policies for Consumer or Commercial Debts", Form RD 1924-18, "Partial Payment Estimate", Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions", Form AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions", and if an RUS development grant is involved, RUS Bulletin 1780-12, "Water or Waste System Grant Agreement", and Form AD-1049, "Certification Regarding

Drug-Free Workplace Requirements (Grants)" and to execute other documents and take other action desirable to enter into the Bond authorized by this Resolution.

Section 9. The Borrower desires and deems it necessary and advisable for the immediate preservation of the health, peace, and safety of the District that this Resolution shall become effective at once, therefore, an emergency is hereby declared to exist and this Resolution shall be in full force and effect from and after its passage and approval.

ADOPTED by the Board of the Seal Rock Water District, Oregon, this 15th day of November, 2021.

SEAL ROCK WATER DISTRICT, OREGON

By: _____
President

ATTEST:

By: _____
Secretary



United States Department of Agriculture

November 4, 2021

Seal Rock Water District
 Attn: Adam Denlinger, General Manager
 1037 NW Grebe Street
 Seal Rock, OR 97376

RE: Recipient: Seal Rock Water District
 Project Name: Beaver Creek Water Source Project – Phase IV
 Water Loan Rural Development Loan and Grant Conditions,
 Water System Improvement Project

RUS Loan (GO Bond):	\$ 6,549,000.00
RUS Loan (Revenue Bond):	\$ 2,547,000.00
RUS Grant:	\$ 2,799,500.00
<u>RUS Sub Grant:</u>	<u>\$ 1,500,000.00</u>
Total RD Funding Package:	\$13,395,500.00

Dear Mr. Denlinger:

AMENDMENT NO. 3

TO

“LETTER OF CONDITIONS” Dated July 2, 2019

Rural Development hereby amends its “Letter of Conditions” dated July 2, 2019 by amending and replacing the following condition(s) which must be understood and agreed by the District before further consideration may be given to your applications. **Change in Rate: Obligated at 2.75% reduction to 1.75% at closing.**

SECTION II – LOAN AND GRANT TERMS

4. **Repayment** – the interest rate will be the lower of the rate in effect at the time of loan approved or the time of loan closing, unless you request otherwise. Should the interest rate be reduced the payment will be recalculated to lower amount.

a. **General Obligation Bond Loan (\$6,549,000)** – Your loan will be scheduled for repayment over a period of 25 years. Payments will be equal annual amortized installments, beginning one year after closing. Loan will have a 1.75% interest rate, which provides for an annual payment of \$325,682.00.

Rural Development • Tangent Area Office
 31978 N Lake Creek Drive • Tangent, OR 97389
 Voice (541) 801-2682 • Fax (855) 824-6181

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 832-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

9. **Reserves** – Reserves must be properly budgeted to maintain the financial viability and sustainability of any operation. Reserves are important to fund unanticipated emergency maintenance and repairs, and assist with debt service should the need arise. The following reserves are required to be established as a condition of this loan:

- a. **Debt Service Reserve for General Obligation Bond (\$6,549,000)** – a debt service reserve is not required for General Obligation Bonds.

All other terms and conditions of the Rural Development “Letter of Conditions” remain unchanged. If the conditions in our July 2, 2019 Letter of Conditions and all amendments thereto are acceptable to the District please complete and return the attached Form RD 1942-46 “Letter of Intent to Meet Conditions” within 10 days.

If you have any questions concerning this letter, please contact me at (541) 801-2682.

Sincerely,

HOLLY HALLIGAN
 Digitally signed by
 HOLLY HALLIGAN
 Date: 2021.11.04
 11:00:36 -07'00'

Holly Halligan
Community Programs Specialist

cc: USDA, Office of General Counsel
Portland State Office, Rural Development/Community Programs

Enclosures:
Form RD 1942-46, "Letter of Intent to Meet Conditions"

LETTER OF INTENT TO MEET CONDITIONS

November 4, 2021
Date _____

TO: United States Department of Agriculture

Rural Development

(Name of USDA Agency)

31978 N Lake Creek Drive
Tangent, Oregon 97389

(USDA Agency Office Address)

We have reviewed and understand the conditions set forth in your letter dated 11-04-2021. It is our intent to meet all of them not later than 11-14-2021.

Seal Rock Water District

(Name of Association)
BY A. Denlinger
Adam Denlinger, General Manager

(Title)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a persons is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0570-0062. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data. needed, and completing and reviewing the collection of information.

Annual Amortization Factor & Amortization Schedule Calculator

Seal Rock Water District

\$ 6,549,000.00	Loan Amount	**Disclaimer - Please note that the breakdown of principal and interest payments shown are an estimate only and don't account for leap years. Actual amounts are dependent upon the actual date of application of payment. Interest accrues daily from one payment to the next.
1.750%	Interest Rate (entered as a percentage i.e. 3.625%)	
25	Term	
0	# of Years of Principal Deferral (Select from drop-down)	
25	Amortization Period	
1	Payments per Year	
49.73	Amortization Factor	
\$ 325,682.00	Payment	
12/17/2021	Date of Loan Closing	Balance

	Payment	Interest	Principal	Balance
				\$ 6,549,000.00
12/17/2022	\$ 114,607.50	\$ 211,074.50	\$ 6,337,925.50	
12/17/2023	\$ 110,913.70	\$ 214,768.30	\$ 6,123,157.20	
12/17/2024	\$ 107,448.83	\$ 218,233.17	\$ 5,904,924.02	
12/17/2025	\$ 103,336.17	\$ 222,345.83	\$ 5,682,578.19	
12/17/2026	\$ 99,445.12	\$ 226,236.88	\$ 5,456,341.31	
12/17/2027	\$ 95,485.97	\$ 230,196.03	\$ 5,226,145.28	
12/17/2028	\$ 91,708.11	\$ 233,973.89	\$ 4,992,171.40	
12/17/2029	\$ 87,363.00	\$ 238,319.00	\$ 4,753,852.40	
12/17/2030	\$ 83,192.42	\$ 242,489.58	\$ 4,511,362.81	
12/17/2031	\$ 78,948.85	\$ 246,733.15	\$ 4,264,629.66	
12/17/2032	\$ 74,835.49	\$ 250,846.51	\$ 4,013,783.15	
12/17/2033	\$ 70,241.21	\$ 255,440.79	\$ 3,758,342.35	
12/17/2034	\$ 65,770.99	\$ 259,911.01	\$ 3,498,431.35	
12/17/2035	\$ 61,222.55	\$ 264,459.45	\$ 3,233,971.89	
12/17/2036	\$ 56,749.56	\$ 268,932.44	\$ 2,965,039.46	
12/17/2037	\$ 51,888.19	\$ 273,793.81	\$ 2,691,245.65	
12/17/2038	\$ 47,096.80	\$ 278,585.20	\$ 2,412,660.44	
12/17/2039	\$ 42,221.56	\$ 283,460.44	\$ 2,129,200.00	
12/17/2040	\$ 37,363.08	\$ 288,318.92	\$ 1,840,881.09	
12/17/2041	\$ 32,215.42	\$ 293,466.58	\$ 1,547,414.51	
12/17/2042	\$ 27,079.75	\$ 298,602.25	\$ 1,248,812.26	
12/17/2043	\$ 21,854.21	\$ 303,827.79	\$ 944,984.48	
12/17/2044	\$ 16,582.54	\$ 309,099.46	\$ 635,885.01	
12/17/2045	\$ 11,127.99	\$ 314,554.01	\$ 321,331.00	
<i>25 yrs.</i>	12/17/2046	\$ 5,623.29	\$ 321,331 320,058.71	\$ 1,272.29
	12/17/2047	\$ 22.27	\$ 325,659.73	\$ (324,387.44)
	12/17/2048	-	-	-
	12/17/2049	-	-	-
	12/17/2050	-	-	-
	12/17/2051	-	-	-
	12/17/2052	-	-	-
	12/17/2053	-	-	-
	12/17/2054	-	-	-

LETTER OF INTENT TO MEET CONDITIONS

Date 05-11-2020

TO: United States Department of Agriculture

Rural Development

(Name of USDA Agency)

31978 North Lake Creek Drive
Tangent, Oregon 97389

(USDA Agency Office Address)

We have reviewed and understand the conditions set forth in your letter dated 05-11-2020 . It is our intent to meet all of them not later than 05-12-2020 .

Seal Rock Water District

(Name of Association)

BY A. Denlinger

Adam Denlinger, General Manager

(Title)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a persons is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0570-0062. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data. needed, and completing and reviewing the collection of information.

REQUEST FOR OBLIGATION OF FUNDS

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED () Complete Items 1 through 29 and applicable Items 30 through 34. See FMI.					
1. CASE NUMBER ST CO BORROWER ID 43-021-*****4185		LOAN NUMBER		FISCAL YEAR 2020	
2. BORROWER NAME Seal Rock Water District			3. NUMBER NAME FIELDS (1, 2, or 3 from Item 2)		
			4. STATE NAME Oregon		
			5. COUNTY NAME Lincoln		
GENERAL BORROWER/LOAN INFORMATION					
6. RACE/ETHNIC CLASSIFICATION 1 - WHITE 2 - BLACK 3 - A/AN 4 - HISPANIC 5 - API		7. TYPE OF APPLICANT 1 - INDIVIDUAL 2 - PARTNERSHIP 3 - CORPORATION 4 - PUBLIC BODY 5 - ASSOC. OF FARMERS 6 - ORG. OF FARMERS 7 - NONPROFIT-SECULAR 8 - NONPROFIT-FAITH BASED 9 - INDIAN TRIBE 10 - PUBLIC COLLEGE/UNIVERSITY 11 - OTHER		8. COLLATERAL CODE 1 - REAL ESTATE SECURED 2 - REAL ESTATE AND CHATTEL 3 - NOTE ONLY OR CHATTEL ONLY 4 - MACHINERY ONLY 5 - LIVESTOCK ONLY 6 - CROPS ONLY 7 - SECURED BY BONDS 8 - RLF ACCT	
9. EMPLOYEE RELATIONSHIP CODE 1 - EMPLOYEE 2 - MEMBER OF FAMILY 3 - CLOSE RELATIVE 4 - ASSOC.		10. SEX CODE 6 1 - MALE 2 - FEMALE 3 - FAMILY UNIT 4 - ORGAN MALE OWNED 5 - ORGAN FEMALE OWNED 6 - PUBLIC BODY		11. MARITAL STATUS 1 - MARRIED 2 - SEPARATED 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)	
12. VETERAN CODE 2 1 - YES 2 - NO		13. CREDIT REPORT 2 1 - YES 2 - NO			
14. DIRECT PAYMENT (See FMI)		15. TYPE OF PAYMENT 1 - MONTHLY 2 - ANNUALLY 3 - SEMI-ANNUALLY 4 - QUARTERLY		16. FEE INSPECTION 2 1 - YES 2 - NO	
17. COMMUNITY SIZE 1 - 10 000 OR LESS (FOR SFH AND HPG ONLY) 2 - OVER 10,000		18. USE OF FUNDS CODE (See FMI)			
COMPLETE FOR OBLIGATION OF FUNDS					
19. TYPE OF ASSISTANCE 067 (See FMI)		20. PURPOSE CODE		21. SOURCE OF FUNDS	
22. TYPE OF ACTION 1 - OBLIGATION ONLY 2 - OBLIGATION/CHECK REQUEST 3 - CORRECTION OF OBLIGATION		23. TYPE OF SUBMISSION 2 1 - INITIAL 2 - SUBSEQUENT		24. AMOUNT OF LOAN	
25. AMOUNT OF GRANT \$1,500,000.00		26. AMOUNT OF IMMEDIATE ADVANCE		27. DATE OF APPROVAL MO DAY YR	
28. INTEREST RATE 0 %		29. REPAYMENT TERMS			
COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS					
30. PROFIT TYPE 1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT					
COMPLETE FOR EM LOANS ONLY			COMPLETE FOR CREDIT SALE-ASSUMPTION		
31. DISASTER DESIGNATION NUMBER (See FMI)			32. TYPE OF SALE 1 - CREDIT SALE ONLY 2 - ASSUMPTION ONLY 3 - CREDIT SALE WITH SUBSEQUENT LOAN 4 - ASSUMPTION WITH SUBSEQUENT LOAN		
FINANCE OFFICE USE ONLY			COMPLETE FOR FP LOANS ONLY		
33. OBLIGATION DATE MO DA YR			34. BEGINNING FARMER/RANCHER (See FMI)		

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder COPY 1 - Finance Office COPY 2 - Applicant/Lender COPY 3 - State Office

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0062. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

CERTIFICATION APPROVAL

For All Farmers Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

- 1. RUS Instruction 1780;
- 2. The Letter of Conditions dated 7/2/2019, amendment dated 5/11/2020 and any other amendments thereto;
- 3. Office of General Counsel (OGC) closing instructions.

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form. YES NO

WARNING: Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

Date May 11 , 20 20

A. Denlinger
Adam Denlinger, General Manager
(Signature of Applicant)

Date _____ , 20 _____

(Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

Digitally signed by CHARLOTTE BENTLEY
CHARLOTTE BENTLEY
Date: 2020.05.11 13:00:10 -07'00'
(Signature of Approving Official)

Typed or Printed Name: Charlotte Bentley

Date Approved: 05-11-2020

Title: Community Programs Director, Portland OR

38. TO THE APPLICANT: As of this date 05-11-2020 , this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.



May 11, 2020

Seal Rock Water District
Attn: Adam Denlinger, General Manager
1037 NW Grebe Street
Seal Rock, OR 97376

RE: Rural Development Loan and Grant Conditions
Beaver Creek Water Source Project- Phase IV
Water Loan & Grant Application

Dear Mr. Denlinger:

AMENDMENT NO. 1

TO

“LETTER OF CONDITIONS” Dated July 2, 2019

Rural Development hereby amends its “Letter of Conditions” dated July 2, 2019 by amending the following condition(s) which must be understood and agreed by the District before further consideration may be given to your application:

1. **Project Description** – Funds will be used to develop a new water intake on Beaver Creek, a membrane treatment plant, storage reservoirs, and raw and finished water pipelines. The Beaver Creek raw water pipeline will be a 14-inch high-density polyethylene (HDPE) following South Beaver Creek Road then North Beaver Creek Road, through private property to the treatment site. The proposed treatment facility will be located on the “Makai” site which is already owned by the District and selected because of its proximity to Beaver Creek, among other reasons. Treatment type will be a membrane filtration system which must meet the Oregon Health Authority’s target microbial removal rates. The storage reservoirs will be a 500,000-gallon and 250,000-gallon welded steel tanks, 50-foot diameter tank constructed on the Makai site at the treatment facility. The finished water pipeline will be a 12-inch ductile iron line trenched to connect the new storage facility to the District’s existing system.

Funds will also be used to refinance an existing line of credit from Cashmere Valley Bank.

Rural Development • Tangent Area Office
31978 N Lake Creek Drive • Tangent, OR 97389
Voice (541) 801-2682 • Fax (855) 824-6181

USDA is an equal opportunity provider and employer.

Additional subsequent funding is needed to cover cost increases associated with higher than anticipated bid openings, and other project cost increases such as engineer and admin/legal expenses.

Facilities will be designed and constructed in accordance with sound engineering practices and must meet the requirements of Federal, State, and local agencies. The proposed facility design must be based on the Preliminary Engineering Report (PER) as concurred with by the Agency.

2. **Project Funding** – The Agency is offering the following funding for your project:

Agency Loan (GO Bond):	\$ 6,549,000
Agency Loan (Revenue Bond):	\$ 2,547,000
Agency Grant:	\$ 2,799,500
<u>Agency Sub Grant:</u>	<u>\$ 1,500,000</u>
TOTAL USDA Package:	\$13,395,500

This offer is based upon the following additional funding being obtained:

Business Oregon Loan/Grant:	\$3,481,000
Applicant Contribution:	\$ 302,000
TOTAL PROJECT COST:	\$17,178,500

This funding is offered based on the amounts stated above. Prior to loan closing, any increases in non-Agency funding will be applied first as a reduction to Agency grant funds, up to the total amount of grant, and then as a reduction to Agency loan funds.

Any changes in funding sources following obligation of Agency funds must be reported to the processing official. Project feasibility and funding will be reassessed if there is a significant change to the project costs. If actual project costs exceed the project cost estimates, an additional contribution by the Owner may be necessary. Prior to construction, you must provide evidence of application contributions and approval of other funding sources. This evidence should include a copy of the commitment letter. Agency funds will not be used to pre-finance funds committed to the project from other sources.

3. **Project Budget** – Funding from all sources has been budgeted for the estimated expenditures as follows:

	<u>Approved LOC</u>	<u>Updated Budget</u>
Construction	\$ 9,888,000	\$ 10,690,000
Membrane	\$ (included in line above)	\$ 898,685
Engineering- Design	\$ 947,000	\$ 993,000
Engineering-Construction Services	\$ 380,000	\$ 780,000
Engineering- Bid Services	\$ 45,000	\$ 45,000

Engineering- Start Up Support	\$ 20,000	\$ 60,000
Legal Services /Land Purchase	\$ 400,000	\$ 400,000
Geotechnical Site Investigation	\$ 51,000	\$ 51,000
Surveying	\$ 26,000	\$ 29,962
Permitting	\$ 170,000	\$ 189,092
Archeological	\$ 40,000	\$ 40,000
Membrane Pre-Purchase Engineering	\$ 35,000	\$ 0
Admin	\$ 12,000	\$ 12,000
Bond Counsel	\$ 80,000	\$ 40,000
Interim Financing Expense & Interest	\$ 360,000	\$ 360,000
Cashmere Loan Refinance	\$ 1,616,500	\$ 1,187,000
Refinance Interest	\$ 0	\$ 23,914
Additional BizOR Services (legal/rights)	\$ 0	\$ 553,938
Tree Clearing	\$ 0	\$ 7,337
Tank Removal	\$ 0	\$ 56,742
Contingency	\$ 1,306,000	\$ 760,830
TOTAL	\$ 15,376,500	\$ 17,178,500

Obligated loan or grant funds not needed to complete the proposed project will be deobligated prior to start of construction. Any reduction will be applied to grant funds first. An amended letter of conditions will be issued for any changes to the total project budget.

5. **Security** – The loans will be secured by a General Obligation Bond and a Revenue Bond, as follows:

- a. **General Obligation Bond Loan (\$6,549,000)**- General Obligation bond in the amount of \$6,549,000. The bond will be fully registered as to both principal and interest in the name of the United States of America, Acting through the United States Department of Agriculture, Rural Utility Service.

The bond and any ordinance or resolution relating thereto must not contain any provision in conflict with the Agency Loan Resolution, applicable regulations, or its authorizing law. In particular, there must be no defeasance or refinancing clause in conflict with the graduation requirements of 7 U.S.C. 1983.

Additional security requirements are contained in RUS Bulletin 1780-12, "Water and Waste System Grant Agreement," and RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)." A draft of all security instruments, including draft bond resolution, must be reviewed and concurred in by the Agency prior to advertising for bids. The bond resolution and Loan Resolution must be duly adopted and executed prior to loan closing. The Grant Agreement must be fully executed prior to the first disbursement of grant funds.

- b. Revenue Bond Loan (\$2,547,000)-** Revenue bond in the amount of \$2,547,000. The bond will be fully registered as to both principal and interest in the name of the United States of America, Acting through the United States Department of Agriculture, Rural Utility Service.

The bond and any ordinance or resolution relating thereto must not contain any provision in conflict with the Agency Loan Resolution, applicable regulations, or its authorizing law. In particular, there must be no defeasance or refinancing clause in conflict with the graduation requirements of 7 U.S.C. 1983.

Additional security requirements are contained in RUS Bulletin 1780-12, "Water and Waste System Grant Agreement," and RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)." A draft of all security instruments, including draft bond resolution, must be reviewed and concurred in by the Agency prior to advertising for bids. The bond resolution and Loan Resolution must be duly adopted and executed prior to loan closing. The Grant Agreement must be fully executed prior to the first disbursement of grant funds.

At or before the time of loan closing, the Applicant shall amend RUS Bulletin 1780-27 "Loan Resolution" for each loan to reflect the increase in the RUS grant funding.

A new RUS Bulletin 1780-12, "Water or Waste System Grant Agreement," will be completed by USDA, Rural Development and executed by the Applicant at the time of grant closing and prior to advance of grant funds. The new Grant Agreement will reflect the total \$4,299,500 grant amount and will supersede the Grant Agreement signed by the Applicant on December 13, 2019.

The above conditions are to replace those in previous Letter of Conditions and any amendment thereto. All other terms and conditions of the Rural Development "Letter of Conditions" remain unchanged. If the conditions in our July 2, 2019 Letter of Conditions and all amendments thereto are acceptable to the District please complete and return the attached Form RD 1942-46 "Letter of Intent to Meet Conditions" within 5 days.

If you have any questions concerning this letter, please contact me at (541) 801-2682.

Sincerely,

HOLLY
HALLIGAN

Digitally signed by HOLLY
HALLIGAN
Date: 2020.05.11 10:54:36 -0700

Holly Halligan
Community Programs Specialist

cc: USDA, Office of General Counsel
Portland State Office, Rural Development/Community Programs

Enclosures:
Form RD 1942-46, "Letter of Intent to Meet Conditions"

AD

Position 3

Form RD 1942-46
(Rev. 6-10)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

FORM APPROVED
OMB NO. 0575-0015
OMB NO. 0570-0062

LETTER OF INTENT TO MEET CONDITIONS

Date 07-02-2019

TO: United States Department of Agriculture

Rural Development

(Name of USDA Agency)

31978 N Lake Creek Drive
Tangent, Oregon 97389

(USDA Agency Office Address)

We have reviewed and understand the conditions set forth in your letter dated 07-02-2019. It is our intent to meet all of them not later than 08-30-2019.

Seal Rock Water District

(Name of Association)

BY A. Denlinger

Adam Denlinger, General Manager

(Title)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a persons is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0570-0062. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data. needed, and completing and reviewing the collection of information.

REQUEST FOR OBLIGATION OF FUNDS

AP 41

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED () Complete items 1 through 29 and applicable items 30 through 34. See FMI.			
1. CASE NUMBER ST CO BORROWER ID 43-021-*****4185		LOAN NUMBER	FISCAL YEAR 2019
2. BORROWER NAME Seal Rock Water District		3. NUMBER NAME FIELDS (1, 2, or 3 from item 2)	
		4. STATE NAME Oregon	
		5. COUNTY NAME Lincoln	
GENERAL BORROWER/LOAN INFORMATION			
6. RACE/ETHNIC CLASSIFICATION 1 - WHITE 2 - BLACK 3 - ASIAN 4 - HISPANIC 5 - API	7. TYPE OF APPLICANT 1 - INDIVIDUAL 2 - PARTNERSHIP 3 - CORPORATION 4 - PUBLIC BODY 5 - ASSOC. OF FARMERS 6 - ORG OF FARMERS 7 - NONPROFIT-SECULAR 8 - NONPROFIT-FAITH BASED 9 - INDIAN TRIBE 10 - PUBLIC COLLEGE/UNIVERSITY 11 - OTHER	8. COLLATERAL CODE 1 - REAL ESTATE SECURED 2 - REAL ESTATE AND CHATTEL 3 - NOTE ONLY OR CHATTEL ONLY 4 - MACHINERY ONLY 5 - LIVESTOCK ONLY 6 - CROPS ONLY 7 - SECURED BY BONDS 8 - RLF ACCT	9. EMPLOYEE RELATIONSHIP CODE 1 - EMPLOYEE 2 - MEMBER OF FAMILY 3 - CLOSE RELATIVE 4 - ASSOC
10. SEX CODE 1 - MALE 2 - FEMALE 3 - FAMILY UNIT 4 - ORGAN MALE OWNED 5 - ORGAN FEMALE OWNED 6 - PUBLIC BODY	11. MARITAL STATUS 1 - MARRIED 2 - SEPARATED 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)	12. VETERAN CODE 1 - YES 2 - NO	13. CREDIT REPORT 1 - YES 2 - NO
14. DIRECT PAYMENT 2 (See FMI)	15. TYPE OF PAYMENT 1 - MONTHLY 2 - ANNUALLY 3 - SEMI-ANNUALLY 4 - QUARTERLY	16. FEE INSPECTION 1 - YES 2 - NO	
17. COMMUNITY SIZE 1 - 10 000 OR LESS (FOR SFH AND HPG ONLY) 2 - OVER 10,000		18. USE OF FUNDS CODE (See FMI)	
COMPLETE FOR OBLIGATION OF FUNDS			
19. TYPE OF ASSISTANCE 067 (See FMI)	20. PURPOSE CODE 1	21. SOURCE OF FUNDS	22. TYPE OF ACTION 1 - OBLIGATION ONLY 2 - OBLIGATION/CHECK REQUEST 3 - CORRECTION OF OBLIGATION
23. TYPE OF SUBMISSION 1 - INITIAL 2 - SUBSEQUENT	24. AMOUNT OF LOAN 6,549,000.0	25. AMOUNT OF GRANT 2,799,500	
26. AMOUNT OF IMMEDIATE ADVANCE	27. DATE OF APPROVAL MO DAY YR 07-05-2019	28. INTEREST RATE 2.75 %	29. REPAYMENT TERMS 25
COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS			
30. PROFIT TYPE 1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT			
COMPLETE FOR EM LOANS ONLY		COMPLETE FOR CREDIT SALE-ASSUMPTION	
31. DISASTER DESIGNATION NUMBER (See FMI)	32. TYPE OF SALE 1 - CREDIT SALE ONLY 2 - ASSUMPTION ONLY 3 - CREDIT SALE WITH SUBSEQUENT LOAN 4 - ASSUMPTION WITH SUBSEQUENT LOAN		
FINANCE OFFICE USE ONLY		COMPLETE FOR FP LOANS ONLY	
33. OBLIGATION DATE MO DA YR	34. BEGINNING FARMER/RANCHER (See FMI)		

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder COPY 1 - Finance Office COPY 2 - Applicant/Lender COPY 3 - State Office

CERTIFICATION APPROVAL

For All Farmers Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

- 1. RUS Instruction 1780;
- 2. The Letter of Conditions dated 7/2/2019 and amendments thereto;
- 3. Office of General Counsel (OGC) Closing Instructions.

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form. YES NO

WARNING: Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

Date July 2nd, 20 19

A. Denlinger
Adam Denlinger, General Manager
(Signature of Applicant)

Date _____, 20 _____

(Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

[Signature]
(Signature of Approving Official)

Typed or Printed Name: Samuel Goldstein

Date Approved: 7/5/2019

Title: Community Programs Director, Portland OR

38. TO THE APPLICANT: As of this date 7-8-2019, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.



July 2, 2019

Adam Denlinger, General Manager
Seal Rock Water District
1037 NW Grebe Street
Seal Rock, OR 97376

SUBJECT: Recipient Name: Seal Rock Water District
Project Name: Beaver Creek Water Source Project- Phase IV
Water Loan & Grant Application

RUS Loan (GO Bond):	\$ 6,549,000
RUS Loan (Revenue Bond):	\$ 2,547,000
<u>RUS Grant:</u>	<u>\$ 2,799,500</u>
Total RD Funding Package:	\$11,895,500

Dear Mr. Denlinger:

LETTER OF CONDITIONS

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to the Application for Federal Assistance. The [loan and/or grant] will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA Rural Development, both of which are referred to throughout this letter as the Agency. Any changes in project cost, source of funds, scope of services, or any other significant changes this includes significant changes in the Borrower's financial condition, operation, organizational structure or executive leadership in the project or applicant must be reported to and approved by Rural Development (RD) by written amendment to this letter. Any changes not approved by RD shall be cause for discontinuing processing of the application.

All conditions set forth under Section III – Requirements Prior to Advertising for Bids must be met within 60 days of the date of this letter. If you have not met these conditions, the Agency reserves the right to discontinue the processing of your application.

If you agree to meet the conditions set forth in this letter and desire further consideration be given to your application, please complete and return the following forms within 15 days:

Rural Development • Tangent Area Office
31978 N Lake Creek Drive • Tangent, OR 97389
Voice: (541) 801-2682 • Fax: (855) 824-6180

USDA is an equal opportunity provider, employer, and lender.

To file a complaint of discrimination, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by mail at U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410; by fax at (202) 690-7442; or by email at program.intake@usda.gov.

Form RD 1942-46, "Letter of Intent to Meet Conditions"
Form RD 1940-1, "Request for Obligation of Funds"
RUS Bulletin 1780-12, "Water and Waste System Grant Agreement"

The loan and grant will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds," is signed by the approving official. Thus, this letter in itself does not constitute loan and/or grant approval, nor does it ensure that funds are or will be available for the project. When funds are available, the Form 1940-1 will be provided to you for your signature. After you sign and return the form to the Agency, the request will be processed and [loan/grant] funds will be approved and obligated.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. All parties may access information and regulations referenced in this letter at our website located at www.rd.usda.gov.

The conditions are as follows:

SECTION I - PROJECT DETAIL

1. **Project Description** – Funds will be used to develop a new water intake on Beaver Creek, a membrane treatment plant, storage reservoirs, and raw and finished water pipelines. The Beaver Creek raw water pipeline will be a 14-inch high-density polyethylene (HDPE) following South Beaver Creek Road then North Beaver Creek Road, through private property to the treatment site. The proposed treatment facility will be located on the "Makai" site which is already owned by the District and selected because of its proximity to Beaver Creek, among other reasons. Treatment type will be a membrane filtration system which must meet the Oregon Health Authority's target microbial removal rates. The storage reservoirs will be a 500,000-gallon and 250,000-gallon welded steel tanks, 50-foot diameter tank constructed on the Makai site at the treatment facility. The finished water pipeline will be a 12-inch ductile iron line trenched to connect the new storage facility to the District's existing system.

Funds will also be used to refinance an existing line of credit from Cashmere Valley Bank.

Facilities will be designed and constructed in accordance with sound engineering practices and must meet the requirements of Federal, State, and local agencies. The proposed facility design must be based on the Preliminary Engineering Report (PER) as concurred with by the Agency.

2. **Project Funding** – The Agency is offering the following funding for your project:

Agency Loan (GO Bond) -	\$ 6,549,000
Agency Loan (Revenue Bond) -	\$ 2,547,000
Agency Grant -	\$ 2,799,500
Total USDA Package	\$11,895,500

This offer is based upon the following additional funding being obtained:

Business Oregon Loan/Grant-	\$ 3,481,000
TOTAL PROJECT COST -	\$ 15,376,500

This funding is offered based on the amounts stated above. Prior to loan closing, any increase in non-Agency funding will be applied first as a reduction to Agency grant funds, up to the total amount of the grant, and then as a reduction to Agency loan funds.

Any changes in funding sources following obligation of Agency funds must be reported to the processing official. Project feasibility and funding will be reassessed if there is a significant change in project costs after bids are received. If actual project costs exceed the project cost estimates, an additional contribution by the Owner may be necessary. Prior to advertisement for construction bids, you must provide evidence of applicant contributions and approval of other funding sources. This evidence should include a copy of the commitment letter. Agency funds will not be used to pre-finance funds committed to the project from other sources.

3. **Project Budget** -- Funding from all sources has been budgeted for the estimated expenditures as follows:

<u>Project Costs:</u>	<u>Total Budgeted:</u>
Construction	\$9,888,000
Engineering- Design	\$ 947,000
Engineering- Membrane Pre-purchase	\$ 35,000
Engineering- Bid Services	\$ 45,000
Engineering- Construction Services	\$ 380,000
Engineering- Start Up Support	\$ 20,000
Legal Services/Land Purchases	\$ 400,000
Geotechnical Site Investigation	\$ 51,000
Surveying	\$ 26,000
Permitting	\$ 170,000
Archeological	\$ 40,000
Bond Counsel Services	\$ 80,000
Interim Interest & Expense	\$ 360,000
Admin	\$ 12,000
Contingency (15%)	\$1,306,000
<u>Line of Credit Refinance</u>	<u>\$1,616,500</u>
TOTAL	\$15,376,500

Obligated loan or grant funds not needed to complete the proposed project will be deobligated prior to start of construction. Any reduction will be applied to grant funds first. An amended letter of conditions will be issued for any changes to the total project budget.

SECTION II – LOAN AND GRANT TERMS

4. **Repayment** – The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing, unless you request otherwise. Should the interest rate be reduced, the payment will be recalculated to the lower amount.

- a. **General Obligation Bond Loan (\$6,549,000)**- Your loan will be scheduled for repayment over a period of 25 years. Payments will be equal annual amortized installments, beginning one year after closing. For planning purposes, use a 2.75% interest rate, which provides for an annual payment of \$365,697. The precise payment amount will be based on the interest rate at which the loan is closed, and may be different than the one above.

The payment due date will be established as the day that the loan closes. Due dates falling on the 29th, 30th, and 31st day of the month will be avoided.

- b. **Revenue Bond Loan (\$2,547,000)**- Your loan will be scheduled for repayment over a period of 30 years. Payments will be equal annual amortized installments, beginning one year after closing. For planning purposes, use a 2.75% interest rate, which provides for an annual payment of \$125,797. The precise payment amount will be based on the interest rate at which the loan is closed, and may be different than the one above.

The payment due date will be established as the day that the loan closes. Due dates falling on the 29th, 30th, and 31st day of the month will be avoided.

5. **Security** – The loans will be secured by a General Obligation Bond and a Revenue Bond, as follows:

- a. **General Obligation Bond Loan (\$6,549,000)**- General Obligation bond in the amount of \$6,549,000. The bond will be fully registered as to both principal and interest in the name of the United States of America, Acting through the United States Department of Agriculture, Rural Utility Service.

The bond and any ordinance or resolution relating thereto must not contain any provision in conflict with the Agency Loan Resolution, applicable regulations, or its authorizing law. In particular, there must be no defeasance or refinancing clause in conflict with the graduation requirements of 7 U.S.C. 1983.

Additional security requirements are contained in [RUS Bulletin 1780-12, "Water and Waste System Grant Agreement," and RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)."] A draft of all security instruments, including draft bond resolution, must be reviewed and concurred in by the Agency prior to advertising for bids. The bond resolution and Loan Resolution must be duly adopted and executed prior to loan closing.

The Grant Agreement must be fully executed prior to the first disbursement of grant funds.

- b. **Revenue Bond Loan (\$2,547,000)**- Revenue bond in the amount of \$2,547,000. The bond will be fully registered as to both principal and interest in the name of the United States of America, Acting through the United States Department of Agriculture, Rural Utility Service.

The bond and any ordinance or resolution relating thereto must not contain any provision in conflict with the Agency Loan Resolution, applicable regulations, or its authorizing law. In particular, there must be no defeasance or refinancing clause in conflict with the graduation requirements of 7 U.S.C. 1983.

Additional security requirements are contained in [RUS Bulletin 1780-12, "Water and Waste System Grant Agreement," and RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)."] A draft of all security instruments, including draft bond resolution, must be reviewed and concurred in by the Agency prior to advertising for bids. The bond resolution and Loan Resolution must be duly adopted and executed prior to loan closing. The Grant Agreement must be fully executed prior to the first disbursement of grant funds.

6. **Electronic Payments** -- Payments will be made on the day your payment is due through an electronic preauthorized debit system. You will be required to complete Form RD 3550-28, "Authorization Agreement for Preauthorized Payments," for all new and existing indebtedness to the Agency prior to loan closing. It will allow for your payment to be electronically debited from your account on the day your payment is due.

7. **Construction Completion Timeframe** - All projects must be completed and all funds disbursed within five years of obligation. If funds are not disbursed within five years of obligation, you must submit to the Agency a written request for extension of time with adequate justification of circumstances beyond your control. Requests for waivers beyond the initial extension will be submitted to the Assistant Administrator for concurrence decision.

8. **Disbursement of Agency Funds** - Agency funds will be disbursed into the borrower's depository account through an electronic transfer system. SF 3881, "ACH Vendor/Miscellaneous Payment Enrollment Form," must be completed and submitted to the Agency prior to advertising for bids.

Any applicant contribution will be the first funds expended, followed by other funding sources. Interim financing or Agency loan funds will be expended after all other funding sources unless a written agreement is reached with all other funding sources on how funds are to be disbursed prior to start of construction or loan closing, whichever occurs first. Interim financing funds or Agency loan funds must be used prior to the use of Agency grant funds. The Grant Agreement must not be closed and funds must not be disbursed prior to loan funds except as specified in

RUS Instruction 1780.45(d). In the unlikely event the Agency mistakenly disburses funds, the funds will be remitted back to the Agency electronically.

Grant funds are to be deposited in an interest-bearing account (exception provided below) in accordance with 2 CFR Part 200 and interest in excess of \$500 per year remitted to the Agency. The funds should be disbursed by the recipient immediately upon receipt and there should be little interest accrual on the Federal funds. Recipients shall maintain advances of Federal funds in interest-bearing accounts, unless:

- a. The recipient receives less than \$120,000 in Federal awards per year.
 - b. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
 - c. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
 - d. A foreign government or banking system prohibits or precludes interest-bearing accounts.
9. **Reserves** – Reserves must be properly budgeted to maintain the financial viability and sustainability of any operation. Reserves are important to fund unanticipated emergency maintenance and repairs, and assist with debt service should the need arise. The following reserves are required to be established as a condition of this loan:

- a. **Debt Service Reserve for General Obligation Bond (\$6,549,000)** – a debt service reserve is not required for General Obligation Bonds.
- b. **Debt Service Reserve for Revenue Bond (\$2,547,000)** – As a part of this Agency loan proposal, you must establish a debt service reserve fund equal to at least one annual loan installment that accumulates at the rate of 10% of one annual payment per year for ten years or until the balance is equal to one annual loan payment. Ten percent of the proposed loan installment would equal \$1,048.31 per month; this amount should be deposited monthly until a total of \$125,797 has accumulated. Prior written concurrence from the Agency must be obtained before funds may be withdrawn from this account during the life of the loan. When funds are withdrawn during the life of the loan, deposits will continue as designated above until the fully-funded amount is reached.

When funds are withdrawn during the life of the loan, deposits will commence at the rate of 10% of one annual payment per year for ten years or until the balance is equal to one annual loan payment. Ten percent of the proposed loan installment would equal \$1,048.31 per month; this amount should be deposited monthly until a total of \$125,797 has been accumulated.

This reserve should be maintained in a separate bookkeeping account and proof of the reserve balance will be provided each year in the Balance Sheet and/or the Notes to the

Financial Statements in the Annual Audit report. This reserve is in addition to any existing or future reserve account obligations of the Owners.

10. Short-Lived Asset Replacement Account – The Owner shall establish and maintain a Short-Lived Asset Replacement Account. You must deposit an amount, no less than, \$112,564 into the short-lived asset replacement account annually for the life of the loan to pay for repairs and/or replacement of major system assets based on the preliminary engineering report schedule of short-lived assets. It is your responsibility to assess your facility's short-lived asset needs on a regular basis and adjust the amount deposited to meet those needs. Amounts in the account shall be used and disbursed only for the purpose of replacing facility assets with an estimated life of less than fifteen years. Approval by USDA is not required prior to the use of funds in this account.

Current assets can also be used to establish and maintain reserves for expected expenses, including but not limited to operation and maintenance, deferred interest during the construction period, and an asset management program.

SECTION III – REQUIREMENTS PRIOR TO ADVERTISING FOR BIDS

11. Environmental Requirements – At the conclusion of the proposal's environmental review process, specific actions were determined necessary to avoid or minimize adverse environmental impacts. These mitigation measures must also appear in the Bid Documents, Construction Contracts and other financing instruments which offer RD's commitment for this project. In addition, please send a copy of the mitigation measures to your engineer, or other representatives of the District, to help ensure that these measures are incorporated into the project development plans as appropriate. As outlined in the Final Approval of the Environmental Assessment Report dated April 8, 2019, the following actions are required for successful completion of the project and must be adhered to during project design and construction:

1. The Seal Rock Water District (District) shall obtain and comply with all required County, State, and federal permits, including mitigations measures.
2. An Inadvertent Discovery Plan (IDP) must be "in place" before construction begins. If earth disturbing activities during project construction uncover cultural materials (i.e. structural remains, historic artifacts, or prehistoric artifacts), the area around the discovery shall be secured, all work shall cease, and the appropriate authorities shall be contacted to discuss appropriate protocol for removal, inventory, and proper preservation of the resource(s). These authorities are: 1) RD State Environmental Coordinator (SEC) Michael Beyer, at (503) 414-3368; 2) the Oregon State Historic Preservation Office Archaeologist, Dennis Griffin, at (503) 986-0674. The RD SEC will notify any applicable tribal contacts.

- a. After an inadvertent discovery, some areas may be specified for close monitoring or "no work zones." Any such areas will be identified by the professional archaeologist to the Project Manager, Rural Development and appropriate Contractor's personnel.
3. If earth disturbing activities in any portion of the project area uncover human remains, all work shall cease immediately in accordance with *Treatment of Native American Human Remains Discovered Inadvertently or through Criminal Investigations on Private and Public, State-Owned Lands in Oregon* and ORS 97.740-.994 and 358.905-961. The area around the discovery shall be secured and the Lincoln County Coroner and RD SEC shall be notified immediately. The RD SEC shall notify the State Archeologist at SHPO and the appropriate tribes without delay.
 4. When disposing of excess, spoil, or other construction materials on public or private property, the ultimate recipient shall not fill in or otherwise convert wetlands or 100-year floodplain areas delineated on the latest Federal Emergency Management Agency (FEMA) floodplain maps.
 5. Applicant must certify that the use of Rural Development funds for the excavation, grading and backfilling for the raw water intake structure will not be utilized to drain, dredge, fill or level or otherwise manipulate wetland #3 at the intake structure site. This includes financial assistance for obtaining wetland permits.
 6. The wetlands identified as jurisdictional wetlands delineated for this project, within the project's area of potential effects (APE), must remain delineated and visible throughout construction. This will ensure all construction activity, including, but not limited to: staging areas, construction access roads, stockpile sites, bore pits, etc., remains outside the identified wetlands.
 7. USDA-RUS is requiring the Seal Rock Water District (applicant) incorporate all non-discretionary Terms and Conditions and Monitoring and Mitigation into the Beaver Creek Raw Water Supply Intake Project. Furthermore, RUS recommends the applicant incorporates all Conservation Measures as recommended in the Biological Opinion, dated April 3, 2019.
 - a. The following Monitoring and Mitigations and Terms and Conditions are directly from the National Marine Fisheries Service's Biological Opinion, dated April 3, 2019.
 - i. The District shall incorporate all Monitoring and Mitigations measures (six bullet points) under section 7 (page 8)
 - ii. The District shall incorporate all four (4) Terms and Conditions under section 2.9.4 (page 57) including the project completion report.

- iii. RUS recommends the applicant incorporates all Conservation Measures as recommended in section 2.10 of the Biological Opinion, dated April 3, 2019.

Note: USDA-RUS is not physically, financially or legally responsible or able to log, collect, document or submit reports to governmental agencies as indicated in section 2.9.4 "Terms and Conditions", item 4 of the Biological Opinion, dated April 3, 2019.

The project as proposed has been evaluated to be consistent with the National Environmental Policy Act. Other Federal, State, tribal, and local laws, regulations and or permits may apply or be required. If the project or any project element deviates from or is modified from the originally-approved project, additional environmental review may be required.

12. **Engineering Services** – You have been required to complete an Agreement for Engineering Services, which should consist of the Engineers Joint Contract Documents Committee (EJCDC) documents as indicated in RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Documents on Water and Waste Projects with RUS Financial Assistance," or other approved form of agreement. The Agency will provide concurrence prior to advertising for bids, and must approve any modifications to this agreement.

13. **Contract Documents, Final Plans, and Specifications**

- a. The contract documents must consist of the EJCDC construction contract documents as indicated in RUS Bulletin 1780-26 or other Agency-approved forms of agreement.
- b. The contract documents, final plans, and specifications must comply with RUS Instruction 1780, Subpart C – Planning, Designing, Bidding, Contracting, Constructing and Inspections, and must be submitted to the Agency for concurrence prior to advertising for bids along with an updated cost estimate. The Agency may require another updated cost estimate if a significant amount of time elapses between the original submission and advertising for bids.
- c. The use of any procurement method other than competitive sealed bids must be requested in writing and approved by the Agency.

14. **American Iron and Steel (AIS)** - Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) applies a new American Iron and Steel requirement:

- (1) No Federal funds made available for this fiscal year for the rural water, waste water, waste disposal, and solid waste management programs authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1926 et seq.) shall be used for a project for the construction, alteration, maintenance, or repair of a public water or wastewater

system unless all of the iron and steel products used in the project are produced in the United States.

- (2) The term "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.
- (3) The requirement shall not apply in any case or category of cases in which the Secretary of Agriculture (in this section referred to as the "Secretary") or the designee of the Secretary finds that—
 - a. applying the requirement would be inconsistent with the public interest;
 - b. iron and steel products are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or
 - c. inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

15. **Legal Services** – You have been required to execute a legal services agreement with your attorney and bond counsel, if applicable, for any legal work needed in connection with this project. The agreement should stipulate an hourly rate for the work, with a "not to exceed" amount for the services, including reimbursable expenses. RUS Bulletin 1780-7, "Legal Services Agreement," or similar format may be used. The Agency will provide concurrence prior to advertising for bids. Any changes to the fees or services spelled out in the original agreement must be reflected in an amendment to the agreement and have prior Agency concurrence.

16. **Property Rights** - Prior to advertising for bids, you and your legal counsel must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights-of-way needed for the project. Acquisitions of necessary land and rights must be accomplished in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act. Such control over the lands and rights will be evidenced by the following:

- a. **Right-of-Way Map** – Your engineer will provide a map clearly showing the location of all lands and rights-of-way needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
- b. **Form RD 442-20, "Right-of-Way Easement"** – This form may be used to obtain any necessary easements for the proposed project or a comparable method recommended by your attorney.
- c. **Form RD 442-21, "Right-of-Way Certificate"** – You will provide a certification on this form that all right-of-way requirements have been obtained for the proposed project.

- d. **Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way"** – Your attorney will provide a certification and legal opinion on this form addressing rights-of-way, easements, and title.

The approving official may waive title defects or restrictions, such as utility easements, that do not adversely affect the suitability, successful operation, security value, or transferability of the facility. Any such waivers must be provided by the approving official in writing prior to closing or the start of construction, whichever occurs first.

You are responsible for the acquisition of all property rights necessary for the project and for determining that prices paid are reasonable and fair. The Agency may require an appraisal by an independent appraiser or Agency employee in order to validate the price to be paid.

17. System Policies, Procedures, Contracts, and Agreements – The facility must be operated on a sound business plan. You must adopt policies, procedures, and/or ordinances outlining the conditions of service and use of the proposed system. Mandatory connection policies should be used where enforceable. The policies, procedures, and/or ordinances must contain an effective collection policy for accounts not paid in full within a specified number of days after the date of billing. They should include appropriate late fees, specified timeframes for disconnection of service, and reconnection fees. A draft of these policies, procedures, and/or ordinances must be submitted for Agency review and concurrence, along with the documents below, before closing instructions may be issued unless otherwise stated.

- a. **Conflict of Interest Policy** – Prior to obligation of funds, you must certify in writing that your organization has in place an up-to-date written policy on conflict of interest. The policy will include, at a minimum: (1) a requirement for those with a conflict or potential conflict to disclose the conflict/potential conflict; (2) a clause that prohibits interested members of the applicant's governing body from voting on any matter in which there is a conflict, and (3) a description of the specific process by which the governing body will manage identified or potential conflicts.

You must also submit a disclosure of planned or potential transactions related to the use of Federal funds that may constitute or present the appearance of personal or organizational conflict of interest. Disclosure must be in the form of a written letter signed and dated by the applicant's official. A negative disclosure in the same format is required if no conflicts are anticipated.

Sample conflict of interest policies may be found at the National Council of Nonprofits website, <https://www.councilofnonprofits.org/tools-resources/conflict-of-interest>, or in Internal Revenue Service Form 1023, Appendix A, "Sample Conflict of Interest Policy," at <http://www.irs.gov/pub/irs-pdf/i1023.pdf>. Though these examples reference non-profit corporations, the requirement applies to all types of Agency borrowers.

Assistance in developing a conflict of interest policy is available through Agency-contracted technical assistance providers if desired.

- b. **Contracts for Other Services/Lease Agreement** – Drafts of any contracts or other forms of agreements for other services, including audit, management, operation, and maintenance, or lease agreements covering real property essential to the successful operation of the facility, must be submitted to the Agency for review and concurrence prior to advertising for bids.

Fully executed copies of any policies, procedures, ordinances, contracts, or agreements must be submitted prior to loan closing, with the exception of the conflict of interest policy, which must be in place prior to obligation of funds.

18. **Closing Instructions** – The Agency will prepare closing instructions as soon as the requirements of the previous paragraphs are complete, as well as a draft of the security instrument(s). Closing instructions must be obtained prior to advertising for bids.

19. **Interim Financing** – For all loans exceeding \$500,000, where loan funds can be borrowed at reasonable interest rates on an interim basis from commercial sources for the construction period, such interim financing will be used to preclude the necessity for multiple advances of Agency loan funds. You must provide the Agency with a copy of the interim loan financing agreement for review prior to advertising for bids. The Agency approving official may make an exception when interim financing is cost prohibitive or unavailable. Grant funds from the Agency will be disbursed by multiple advances through electronic transfer of funds after interim financing or Agency loan funds are expended, in accordance with RUS Instruction 1780.45.

20. **Construction Account** – You must establish a construction account for all funds related to the project. Construction funds will be deposited with an acceptable financial institution or depository that meets the requirements of 31 CFR Part 202. A separate account will not be required for Federal funds and other funds; however, the recipient must be able to separately identify, report, and account for all Federal funds, including the receipt, obligation and expenditure of funds. Financial institutions or depositories accepting deposits of public funds and providing other financial agency services to the Federal Government are required to pledge adequate, acceptable securities as collateral, in accordance with 31 CFR Part 202. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the construction account at any one time. Your financial institution can provide additional guidance on collateral pledge requirements.

Agency funds will be disbursed into the borrower's depository account through an electronic transfer system. SF 3881, "ACH Vendor/Miscellaneous Payment Enrollment Form," must be completed and submitted to the Agency prior to advertising for bids.

21. **System Users** – This letter of conditions is based upon your indication at application that there will be at least 2,448 residential users, 152 non-residential users on the existing system when construction is completed.

Before the Agency can agree to the project being advertised for construction bids, you must certify that the number of users indicated at application are currently using the system or signed up to use the system once it is operational.

If the actual number of existing and/or proposed users that have signed up for service is less than the number indicated at the time of application, you must provide the Agency with a written plan on how you will obtain the necessary revenue to adequately cash flow the expected operation, maintenance, debt service, and reserve requirements of the proposed project (e.g., increase user rates, sign up an adequate number of other users, reduce project scope, etc.). Similar action is required if there is cause to modify the anticipated flows or volumes presented following approval.

If you are relying on mandatory connection requirements, you must provide evidence of the authorizing ordinance or statute along with your user certification.

22. Other Funding – Prior to advertising for bids, you must provide evidence of applicant contributions and approval of other funding sources. This evidence should include a copy of the commitment letter from each source.

23. Proposed Operating Budget – You must establish and/or maintain a rate schedule that provides adequate income to meet the minimum requirements for operation and maintenance (O&M), debt service, and reserves. Prior to advertising for bids, you must submit a proposed annual operating budget to the Agency which supports the operation, maintenance, debt service, and reserves, as well as your proposed rate schedule. The operating budget should be based on a typical year cash flow after completion of the construction phase and should be signed by the appropriate official of your organization. Form RD 442-7, "Operating Budget," or similar format may be utilized for this purpose. It is expected that O&M will change over each successive year and user rates will need to be adjusted on a regular basis.

Technical assistance is available at no cost to help you evaluate and complete a rate analysis on your system. This assistance is available free to your organization. If you are interested please contact our office for information.

24. Permits –The owner or responsible party will be required to obtain all applicable permits for the project, prior to advertising for bids. The consulting engineer must submit written evidence that all applicable permits required prior to construction have been obtained with submission to the Agency of the final plans, specifications, and bid documents.

25. Vulnerability Assessment/Emergency Response Plan (VA/ERP) – The Agency requires all financed water and wastewater systems to have a VA/ERP in place. Borrowers with existing systems must provide a certification that a VA/ERP has been completed prior to advertising for bids. The VA/ERP documents themselves are not submitted to the Agency. The VA/ERP must address potential impacts from natural disasters and other emergency events. In particular, it should include plans to address impacts of flash flooding in areas where severe

drought or wildfires occur. The documents should be reviewed and updated every three years at a minimum.

For new systems, see Section V of this letter of conditions. For VA/ERP requirements throughout the life of the loan, see Section VII. Technical assistance at no cost is available in preparing these documents.

26. **Bid Authorization** - Once all the conditions outlined in Section III of this letter have been met, the Agency will authorize you to advertise the project for construction bids. Such advertisement must be in accordance with applicable State statutes.

SECTION IV - REQUIREMENTS PRIOR TO START OF CONSTRUCTION

27. **Bid Tabulation** -- Immediately after bid opening, you must provide the Agency with the bid tabulation and your engineer's evaluation of bids and recommendations for contract awards. If the Agency agrees that the construction bids received are acceptable, adequate funds are available to cover the total project costs, and all the requirements of Section III of this letter have been satisfied, the Agency will authorize you to issue the Notice of Award.

- a. **Cost Overruns**. If bids are higher than expected, or if unexpected construction problems are encountered, you must utilize all options to reduce cost overruns. Negotiations, redesign, use of bidding alternatives, rebidding or other means will be considered prior to commitment of subsequent funding by the Agency. Any requests for subsequent funding to cover cost overruns will be contingent on the availability of funds. Cost overruns exceeding 20% of the development cost at time of loan or grant approval or where the scope of the original purpose has changed will compete for funds with all other applications on hand as of that date.
- b. **Excess Funds**. If bids are lower than anticipated at time of obligation, excess funds must be deobligated prior to start of construction except in the cases addressed in this paragraph. In cases where the original PER for the project included items that were not bid, or were bid as an alternate, the State Office official may modify the project to fully utilize obligated funds for those items. Amendments to the PER, ER, and letter of conditions may be needed for any work not included in the original project scope. In all cases, prior to start of construction, excess funds will be deobligated, with grant funds being de-obligated first. Excess funds do not include contingency funds as described in this letter.

28. **Contract Review** -- Your attorney will certify that the executed contract documents, including performance and payment, if required, are adequate and that the persons executing these documents have been properly authorized to do so in accordance with RUS Instruction 1780.61(b).

Once your attorney has certified that they are acceptable, the contract documents will be submitted to the Agency for its concurrence. The Notice to Proceed cannot be issued until the Agency has concurred with the construction contracts.

29. Final Rights-of-Way – If any of the rights-of-way forms listed previously in this letter contain exceptions that do not adversely affect the suitability, successful operation, security value, or transferability of the facility, the approving official must provide a written waiver prior to the issuance of the Notice to Proceed. For projects involving the acquisition of land, you must provide evidence that you have clear title to the land prior to the issuance of the Notice to Proceed.

Final Title Work - Immediately after closing or prior to the start of construction, whichever comes first, a Title Insurance Policy must be provided for all existing real property related to the facility, now owned and to be acquired for this project.

30. Insurance and Bonding Requirements - Prior to the start of construction or loan closing, whichever occurs first, you must acquire and submit to the Agency proof of the types of insurance and bond coverage for the borrower shown below. The use of deductibles may be allowed, providing you have the financial resources to cover potential claims requiring payment of the deductible. The Agency strongly recommends that you have your engineer, attorney, and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is your responsibility and not that of the Agency to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.

- a. **General Liability Insurance** – Include vehicular coverage.
- b. **Workers' Compensation** – In accordance with appropriate State laws.
- c. **Fidelity or Employee Dishonesty Bonds** – Include coverage for all persons who have access to funds, including persons working under a contract or management agreement. Coverage may be provided either for all individual positions or persons, or through blanket coverage providing protection for all appropriate workers. During construction, each position should be bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. The coverage may be increased during construction based on the anticipated monthly advances. After construction and throughout the life of the loan, the amount of coverage must be for at least the total annual debt service of all outstanding Agency loans. The Agency will be identified in the fidelity bond for receipt of notices. Form RD 440-24, "Position Fidelity Schedule Bond," or similar format may be used.
- d. **National Flood Insurance** - If the project involves acquisition or construction in designated special flood or mudslide prone areas, you must purchase a flood insurance policy at the time of loan closing.
- e. **Real Property Insurance** – Fire and extended coverage will normally be maintained on all structures except reservoirs, pipelines and other structures if such structures are not normally insured, and subsurface lift stations except for the value of electrical and pumping equipment. The Agency will be listed as mortgagee on the policy when the Agency has a lien on the property. Prior to the acceptance of the facility from the

contractor(s), you must obtain real property insurance (fire and extended coverage) on all facilities identified above.

Insurance types described above are required to be continued throughout the life of the loan. See Section VII.

31. **Initial Compliance Review** – The Agency will conduct an initial compliance review of the borrower prior to loan closing or start of construction, whichever occurs first, in accordance with 7 CFR 1901, Subpart E.

SECTION V – REQUIREMENTS PRIOR TO LOAN CLOSING

32. **Interim Financing** - Interim financing is being used. Loan closing will occur near the end of construction when interim funds are about to be completely disbursed. Documents detailed above from Sections II and III regarding security, electronic payments (Form 3550-28), and system policies, procedures, contracts, and agreements must be adopted and/or executed and submitted to the Agency prior to loan closing. In addition, the following items are required prior to closing:

33. **Vulnerability Assessment/Emergency Response Plan (VA/ERP)** – The Agency requires all financed water and wastewater systems to have a VA/ERP in place. New water or wastewater systems must provide a certification that an ERP is complete prior to the start of operation, and a certification that a VA is complete must be submitted within one year of the start of operation. Borrowers with existing systems must provide a certification that a VA and ERP are completed prior to authorization to advertise for bids. The VA/ERP documents are not submitted to the Agency. Technical assistance is available in preparing these documents at no cost to you. The VA/ERP must address potential impacts from natural disasters and other emergency events. In particular, it should include plans to address impacts of flash flooding in areas where severe drought or wildfires occur. The documents should be reviewed and updated every three years at a minimum.

34. **Other Requirements** – All requirements contained in the Agency's closing instructions, as well as any requirements of your bond counsel and/or attorney, must be met prior to loan closing.

- a. **System for Award Management**. You will be required to maintain a Dun and Bradstreet Data Universal Numbering System (DUNS) number and maintain an active registration in the System for Award Management (SAM) database. Renewal can be done on-line at: <http://sam.gov>. This registration must be renewed and revalidated every twelve (12) months for as long as there are Agency funds to be expended. See Appendix A.

To ensure the information is current, accurate and complete, and to prevent the SAM account expiration, the review and updates must be performed within 365 days of the activation date, commonly referred to as the expiration date. The registration process

may take up to 10 business days. (See 2 CFR Part 25 and the "Help" section at <http://sam.gov>).

- b. **Litigation**. You are required to notify the Agency within 30 days of receiving notification of being involved in any type of litigation prior to loan closing or start of construction, whichever occurs first. Additional documentation regarding the situation and litigation may be requested by the Agency.
- c. **Certified Operator**. Evidence must be provided that your system has or will have, as defined by applicable State or Federal requirements, a certified operator available prior to the system becoming operational, or that a suitable supervisory agreement with a certified operator is in effect.

SECTION VI – REQUIREMENTS DURING CONSTRUCTION AND POST CONSTRUCTION

35. **Resident Inspector(s)** – Full-time inspection is required unless you request an exception. Such requests must be made in writing and the Agency must concur with the request. Inspection services are to be provided by the consulting engineer unless other arrangements are requested in writing and concurred with by the Agency. A resume of qualifications of any resident inspector(s) will be submitted to the owner and Agency for review and concurrence prior to the pre-construction conference. The resident inspector(s) must attend the pre-construction conference.

36. **Preconstruction Conference** – A preconstruction conference will be held prior to the issuance of the Notice to Proceed. The consulting engineer will review the planned development with the Agency, owner, resident inspector, attorney, contractor, other funders, and other interested parties, and will provide minutes of this meeting to the owner and Agency.

37. **Inspections** - The Agency requires a pre-construction conference, pre-final and final inspections, and a warranty inspection. Your engineer will schedule a warranty inspection with the contractor and the Agency before the end of the one-year warranty period to address and/or resolve any warranty issues. The Agency will conduct an inspection with you of your records management system at the same time, and will continue to inspect the facility and your records system every three years for the life of the loan. See Section VII of this letter.

38. **Change Orders** – Prior Agency concurrence is required for all Change Orders.

39. **Payments** – Prior Agency concurrence is required for all Invoices and Partial Payment Estimates before Agency funds will be released. Requests for payment related to a contract or service agreement will be signed by the owner, project engineer, and contractor or service provider prior to Agency concurrence. Invoices not related to a construction contract or service agreement will include the owner's written concurrence.

40. Use of Remaining Funds – Applicant contribution and connection or tap fees will be the first funds expended in the project, followed by non-Agency sources of funds. Remaining funds may be considered in direct proportion to the amounts obtained from each source and handled as follows:

- a. Remaining funds may be used for eligible loan and grant purposes, provided the use will not result in major changes to the original scope of work and the purpose of the loan and grant remains the same.
- b. Grant funds not expended for authorized purposes will be cancelled (de-obligated) within 60 days of final completion of project. Prior to actual cancellation, you and your attorney and engineer will be notified of the Agency’s intent to cancel the remaining funds and given appropriate appeal rights.
- c. Loan funds that are not needed will be cancelled (de-obligated) prior to loan closing.

41. Technical, Managerial and Financial Capacity - It is required that members of the Board of Directors, City Council members, trustees, commissioners and other governing members possess the necessary technical, managerial, and financial capacity skills to consistently comply with pertinent Federal and State laws and requirements. It is recommended members receive training within one year of appointment or election to the governing board, and a refresher training for all governing members on a routine basis. The content and amount of training should be tailored to the needs of the particular individual and the utility system. Technical assistance providers are available to provide this training for your organization, often at no cost. Contact the Agency for information.

42. Reporting Requirements Related to Expenditure of Funds

- a. **Financial Audit**– An annual audit under the Single Audit Act is required if you expend \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from the Agency. The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law, and must be submitted within 9 months of your fiscal year end.

If an audit is required, you must enter into a written agreement with the auditor and submit a copy to the Agency prior to the advertisement of bids. The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit to be completed, the time frame in which the audit will be completed, and how irregularities will be reported.

- b. **Reporting Subawards and Executive Compensation** – You as a recipient of Federal funds and your first-tier contractors are required by 2 CFR Part 170 to report

disbursements to subrecipients in accordance with Appendix B of this letter and www.fsrs.gov. Your Agency processing office can provide more information.

SECTION VII – SERVICING REQUIREMENTS DURING THE TERM OF THE LOAN

43. Prepayment and Extra Payments - Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower, with no penalty.

Security instruments, including bonding documents, must contain the following language regarding extra payments, unless prohibited by State statute:

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down the Agency debt, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of borrower to pay the remaining installments as scheduled in your security instruments.

44. Graduation - By accepting this loan, you are also agreeing to refinance (graduate) the unpaid loan balance in whole, or in part, upon request of the Government. If at any time the Agency determines you are able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms, you will be requested to refinance. Your ability to refinance will be assessed every other year for those loans that are five years old or older.

45. Security/Operational Inspections – The Agency will inspect the facility and conduct a review of your operations and records management system and conflict of interest policy every three years for the life of the loan. You must participate in these inspections and provide the required information.

46. Annual Financial Reporting/Audit Requirements – You are required to submit an annual financial report at the end of each fiscal year. The annual report will be certified by the appropriate organization official, and will consist of financial information and a rate schedule. Financial statements must be prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP), and must include at a minimum a balance sheet and income and expense statement. The annual report will include separate reporting for each water and waste disposal facility, and itemize cash accounts by type (debt service, short-lived assets, etc.) under each facility. All records, books and supporting material are to be retained for three years after the issuance of the annual report. Technical assistance is available at no cost with preparing financial reports.

The type of financial information that must be submitted is specified below:

- a. **Audits** – An annual audit under the Single Audit Act is required if you expend \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended

from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from the Agency. It is not intended that audits required by this part be separate and apart from audits performed in accordance with State and local laws. To the extent feasible, the audit work should be done in conjunction with those audits. The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law, and must be submitted within 9 months of your fiscal year end.

If an audit is required, you must enter into a written agreement with the auditor and submit a copy to the Agency prior to the advertisement of bids. The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit or financial statements to be completed, the time frame in which the audit or financial statements will be completed, what type of reports will be generated from the services provided, and how irregularities will be reported.

- b. **Financial Statements** – If you expend less than \$750,000 in Federal financial assistance per fiscal year, you may submit financial statements in lieu of an audit which include at a minimum a balance sheet and an income and expense statement. You may use Form RD 442-2, "Statement of Budget, Income and Equity," and 442-3, "Balance Sheet," or similar format to provide the financial information. The financial statements must be signed by the appropriate borrower official and submitted within 60 days of your fiscal year end.
- c. **Quarterly Reports** – Quarterly Income and Expense Statements will be required until the processing office waives this requirement. You may use Form RD 442-2 or similar format to provide this information, and the reports are to be signed by the appropriate borrower official and submitted within 30 days of each quarter's end. The Agency will notify you in writing when the quarterly reports are no longer required.

47. **Annual Budget and Projected Cash Flow** - Thirty days prior to the beginning of each fiscal year, you will be required to submit an annual budget and projected cash flow to this office. With the submission of the annual budget, you will be required to provide a current rate schedule, and a current listing of the Board or Council members and their terms. The budget must be signed by the appropriate borrower official. Form RD 442-2 or similar format may be used.

Technical assistance is available at no cost to help you evaluate and complete a rate analysis on your system, as well as completing the annual budget. If you are interested, please contact our office for information.

48. **Vulnerability Assessment/Emergency Response Plan (VA/ERP)** – You will be required to submit a certification to the servicing office every three years that the VA/ERP is current and covers all sites related to the facility. The documents themselves are not submitted to the Agency. The VA/ERP must address potential impacts from natural disasters and other emergency events. In particular, it should include plans to address impacts of flash flooding in areas where severe drought or wildfires occur. The documents should be reviewed and updated every three years at a minimum.

49. **Insurance**. You will be required to maintain insurance on the facility and employees as previously described in this letter for the life of the loan.

50. **Statutory and National Policy Requirements** – As a recipient of Federal funding, you are required to comply with U.S. statutory and public policy requirements, including but not limited to:

- a. **Section 504 of the Rehabilitation Act of 1973** – Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Agency financial assistance.
- b. **Civil Rights Act of 1964** – All borrowers are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*) and 7 CFR 1901, Subpart E, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by Paragraph 1901.202(e) of this Title.
- c. **The Americans with Disabilities Act (ADA) of 1990** – This Act (42 U.S.C. 12101 *et seq.*) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications.
- d. **Age Discrimination Act of 1975** – This Act (42 U.S.C. 6101 *et seq.*) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
- e. **Limited English Proficiency (LEP) under Executive Order 13166** - LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under Federally-assisted and/or conducted programs on the ground of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons. LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance, free of charge. You must take reasonable steps to ensure that LEP persons receive the language

assistance necessary to have meaningful access to USDA programs, services, and information your organization provides. These protections are pursuant to Executive Order 13166 entitled, "Improving Access to Services by Persons with Limited English Proficiency" and further affirmed in the USDA Departmental Regulation 4330-005, "Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA."

Agency financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. You must display posters (provided by the Agency) informing users of these requirements, and the Agency will monitor your compliance with these requirements during regular compliance reviews.

51. Compliance Reviews and Data Collection – The Agency will conduct regular compliance reviews of the borrower and its operation in accordance with 7 CFR Part 1901, Subpart E, and 36 CFR 1191, Americans with Disabilities Act (ADA) Accessibility Guidelines for Buildings and Facilities; Architectural Barriers Act (ABA) Accessibility Guidelines. Compliance reviews will typically be conducted in conjunction with the security inspections described in this letter. If beneficiaries (users) are required to complete an application or screening for the use of the facility or service that you provide, you must request and collect data by race (American Indian or Alaska Native, Asian, Black or African American, White); ethnicity (Hispanic or Latino, Not Hispanic or Latino); and by sex. The Agency will utilize this data as part of the required compliance review.

SECTION VIII – REMEDIES FOR NON-COMPLIANCE

Non-compliance with the conditions in this letter or requirements of your security documents will be addressed under the provisions of 7 CFR 1782 and other applicable regulations, statutes, and policies.

We look forward to working with you to complete this project. If you have any questions, please contact me at (541) 801-2682 or by e-mail at holly.halligan@or.usda.gov.

Sincerely,



Holly Halligan
Area Specialist
Tangent, Oregon

Attachments

cc: Sam Goldstein, Portland, Community Programs Director
Gulgun Mersereau, Hawkins & Delafield, Bond Counsel
Paul Berg, Jacobs, Inc., Engineer

FORMS and BULLETINS:

- Form AD-3031 "Assurance Regarding Felony Convictions or Tax Delinquent Status for Corporate Applicants" – Item 29
- Internal Revenue Service Form 1023, Appendix A, "Sample Conflict of Interest Policy" - Item 15
- Form RD 440-22, "Promissory Note" – Item 5
- Form RD 440-24, "Position Fidelity Schedule Bond" – Item 28
- Form RD 442-2, "Statement of Budget, Income and Equity" – Items 44 and 45
- Form RD 442-3, "Balance Sheet" – Item 44
- Form RD 442-7, "Operating Budget" – Item 21
- Form RD 442-20, "Right-of-Way Easement" – Item 14
- Form RD 442-21, "Right-of-Way Certificate" – Item 14
- Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way" – Item 14
- Form RD 1927-9, "Preliminary Title Opinion" – Item 14
- Form RD 1927-10, "Final Title Opinion" – Item 27
- Form RD 1940-1, "Request for Obligation of Funds" – Pages 1 and 2
- Form RD 1942-8, "Resolution of Members or Stockholders" – Item 5
- Form RD 1942-46, "Letter of Intent to Meet Conditions" – Page 1
- Form RD 3550-28, "Authorization Agreement for Preauthorized Payments" – Items 6 and 30
- Form UCC-1, "Financing Statement" – Item 5
- Form UCC-1Ad, "UCC Financing Statement Addendum" – Item 5
- SF 3881, "ACH Vendor/Miscellaneous Payment Enrollment Form" – Items 8 and 18
- RUS Bulletin 1780-7, "Legal Services Agreement" – Item 13
- RUS Bulletin 1780-9, "Water Users Agreement" - Items 15 and 19
- RUS Bulletin 1780-12, "Water and Waste System Grant Agreement" – Page 1 and Item 5
- RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Documents on Water and Waste Projects with RUS Financial Assistance" – Items 11 and 12
- RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)" – Item 5
- RUS Bulletin 1780-28, "Loan Resolution Security Agreement" – Item 5

**Appendix A
2 CFR Part 25**

SYSTEM FOR AWARD MANAGEMENT AND UNIVERSAL IDENTIFIER REQUIREMENTS

A. Requirement for System for Award Management

Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the SAM until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another appendix.

B. Requirement for unique entity identifier

If you are authorized to make subawards under this award, you:

1. Must notify potential subrecipients that no entity (*see* definition in paragraph C of this appendix) may receive a subaward from you unless the entity has provided its unique entity identifier to you.
2. May not make a subaward to an entity unless the entity has provided its unique entity identifier to you.

C. Definitions

For purposes of this appendix:

1. System for Award Management (SAM) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at <http://www.sam.gov>).
2. Unique entity identifier means the identifier required for SAM registration to uniquely identify business entities.
3. Entity, as it is used in this appendix, means all of the following, as defined at 2 CFR part 25, subpart C:
 - a. A Governmental organization, which is a State, local government, or Indian Tribe;
 - b. A foreign public entity;
 - c. A domestic or foreign nonprofit organization;
 - d. A domestic or foreign for-profit organization; and

- e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

4. Subaward:

- a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
- b. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see 2 CFR 200.330).
- c. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.

5. Subrecipient means an entity that:

- a. Receives a subaward from you under this award; and
- b. Is accountable to you for the use of the Federal funds provided by the subaward.

Appendix B
2 CFR Part 170

Reporting Subawards and Executive Compensation

a. Reporting of first-tier subawards.

1. **Applicability.** Unless you are exempt as provided in paragraph d. of this appendix, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this appendix).
2. **Where and when to report.**
 - i. You must report each obligating action described in paragraph a.1. of this appendix to <http://www.fsrs.gov>.
 - ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
3. **What to report.** You must report the information about each obligating action listed in the submission instructions posted at <http://www.fsrs.gov>.

b. Reporting Total Compensation of Recipient Executives.

1. **Applicability and what to report.** You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if—
 - i. the total Federal funding authorized to date under this award is \$25,000 or more;
 - ii. in the preceding fiscal year, you received—
 - (A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>.)

2. Where and when to report. You must report executive total compensation described in paragraph b.1. of this appendix:

- i. As part of your registration profile at <https://www.sam.gov>.
- ii. By the end of the month following the month in which this award is made, and annually thereafter.

c. Reporting of Total Compensation of Subrecipient Executives.

1. Applicability and what to report. Unless you are exempt as provided in paragraph d. of this appendix, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if—

- i. in the subrecipient's preceding fiscal year, the subrecipient received—
 - (A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and
- ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>.)

2. Where and when to report. You must report subrecipient executive total compensation described in paragraph c.1. of this appendix:

- i. To the recipient.

- ii. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

d. Exemptions

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

- i. Subawards, and
- ii. The total compensation of the five most highly compensated executives of any subrecipient.

e. Definitions. For purposes of this appendix:

1. Entity means all of the following, as defined in 2 CFR part 25:
 - i. A Governmental organization, which is a State, local government, or Indian tribe;
 - ii. A foreign public entity;
 - iii. A domestic or foreign nonprofit organization;
 - iv. A domestic or foreign for-profit organization;
 - v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
2. Executive means officers, managing partners, or any other employees in management positions.
3. Subaward:
 - i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
 - ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. __ .210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").

- iii. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.
4. Subrecipient means an entity that:
- i. Receives a subaward from you (the recipient) under this award; and
 - ii. Is accountable to you for the use of the Federal funds provided by the subaward.
5. Total compensation means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
- i. Salary and bonus.
 - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
 - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
 - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
 - v. Above-market earnings on deferred compensation which is not tax-qualified.
 - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as _____ of the Seal Rock Water District

hereby certify that the _____ of such Association is composed of

_____ members, of whom , _____ constituting a quorum, were present at a meeting thereof duly called and

held on the _____ day of _____ ; and that the foregoing resolution was adopted at such meeting

by the vote shown above, I further certify that as of _____ ,
the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been
rescinded or amended in any way.

Dated, this _____ day of _____

Title _____