

SEAL ROCK WATER DISTRICT
Regular Board Meeting
Thursday, May 14, 2020 @ 4:00 pm
Public Meeting by Zoom Video Conference:

Due to the Governor's Executive Order related to public gatherings, SRWD will hold this meeting through Zoom video conferencing. The public is invited to attend the meeting electronically. Please E-mail tkarlsen@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 tkarlsen@srwd.org by 2:00 p.m. the day of the meeting to be included in the record. Comments received will be shared with the SRWD Board of Commissioners and included in the permanent record

1. Call Regular Meeting to Order:

2. 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.

3. 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 April 2020 to May 2020
- Board Meeting Minutes April 9, 2020
- Financial Report / Approve Invoices April 2020 to May 2020
- USDA PMR 50 April 2020
- General Manager's Monthly Report April 2020 to May 2020

4. Discussion and Information Items:

- Consider Primary Source Water Project Update.
Presented by: Adam Denlinger, General Manager
Jeff Hollen, General Counsel
- Consider Joint SRWD Board and Toledo City Council Meeting July 1, 2020
Presented by: Rob Mills, Board President
- Consider a water rate adjustment for FY 2020 – 2021.
Presented by: Adam Denlinger, General Manager
- Consider USDA Sub-grant Funding for Phase 4 Project.
Presented by: Adam Denlinger, General Manager

5. Decision Items: None

6. Reports, Comments and Correspondence:

- SRWD Budget Committee Meeting **May 21, 2020 @ 6:00 pm**, public meeting by video conference call.
- COVID-19 Community Funding Contribution

7. Executive Session: according to ORS 192.660(2), Concerning:

The SRWD Board will now 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.

8. Adjournment: Next Meeting: June 11, 2020 @ 4:00 p.m. Regular Board Meeting or establish date.

SEAL ROCK WATER DISTRICT
Regular Board Meeting
Thursday, May 14, 2020 @ 4:00 pm
Public Meeting by Zoom Video Conference Meeting:

Join Zoom Meeting:

<https://us02web.zoom.us/j/85434972014?pwd=NWVMsDF3ZWRwNkFueTF2ekE4YlFTZz09>

Meeting ID: 854 3497 2014

Password: 713175

Or use the phone in option:

Dial: 669-900-6833

Meeting ID: 854 3497 2014

Password: 713175

Report Criteria:

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

ORIGINAL

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount
01-5290				
TRUE CUT ENGRAVING	1411	10x2 Name plates brushed silver - Alexandria Scott	08/05/2019	15.00
Total 01-5290:				15.00
03-5734				
OREGON STATE DOJ	041020	DOJ Easement Agreement	04/10/2020	70.00
Total 03-5734:				70.00
Grand Totals:				85.00

Dated: _____

General Manager: _____

Dated: _____

Treasurer: _____

Report Criteria:

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

ORIGINAL

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount
01-2011				
OREGON DEPARTMENT OF RE	042520	1st Quarterly 2020 Unemployment Insurance	04/25/2020	1,043.74
Total 01-2011:				1,043.74
01-2031				
OREGON DEPARTMENT OF RE	043020	1st Quarterly 2020 Statewide Transit Tax	04/30/2020	145.90
Total 01-2031:				145.90
01-2040				
OREGON DEPARTMENT OF RE	042520	1st Quarterly 2020 WBF	04/25/2020	.01
Total 01-2040:				.01
Grand Totals:				1,189.65

Dated: 4-17-20

General Manager: _____

Dated: _____

Treasurer: _____

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
01-5280				
UMPQUA BANK CARDMEMBER	040120	Fiverr: Vectorize SRWD Logos	04/01/2020	89.50
Total 01-5280:				89.50
01-5291				
US POSTAL SERVICE - WALDP	042020	Bulk Mailing	04/20/2020	876.32
Total 01-5291:				876.32
01-5360				
UMPQUA BANK CARDMEMBER	040120	Amazon: Step stool for kitchen/coffee/broom holder	04/01/2020	125.73
Total 01-5360:				125.73
01-5630				
FERGUSON WATERWORKS #30	0867601	2 comb air release vlv	04/08/2020	2,096.52
Total 01-5630:				2,096.52
Grand Totals:				3,188.07

Dated: 4/20/2020

General Manager: A. Duhon

Dated: _____

Treasurer: _____

[Handwritten signature]

ORIGINAL

Report Criteria:

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

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount
01-1351				
CP CARLSON BUILDERS	042220	Refund Dev. Reimb. Line Ext/Bo	04/22/2020	1,017.86
Total 01-1351:				1,017.86
01-5271				
CHARTER COMMUNICATIONS	007859704192	Internet (Office)	04/19/2020	114.98
Total 01-5271:				114.98
01-5280				
AMERICAN SOLUTIONS FOR B	INV04722155	#10 Window Envelope - Latex x 15,000 Color	04/15/2020	1,828.01
Total 01-5280:				1,828.01
01-5290				
STAPLES BUSINESS ADVANTA	8058132739	Dell E1916H 19" LCD Monitor, Black for Scada desk	04/11/2020	119.99
Total 01-5290:				119.99
01-5291				
PETTY CASH	043020	Postage	04/30/2020	20.75
Total 01-5291:				20.75
01-5310				
TCB SECURITY SERVICES INC	229298	Answering/Dispatch Services Monthly Fee	04/28/2020	40.00
TCB SECURITY SERVICES INC	229298	Level One Per Call Price	04/28/2020	4.40
Total 01-5310:				44.40
01-5360				
PETTY CASH	043020	Coffee for Break Room	04/30/2020	9.98
Total 01-5360:				9.98
01-5600				
PETTY CASH	043020	Spray Bottles for Hand Sanitizer 2oz	04/30/2020	11.45
PETTY CASH	043020	Spray Bottles for Hand Sanitizer 8oz	04/30/2020	7.58
PETTY CASH	043020	Rite Aid Disposable Bag fee from purchas of Hand Sanitizer	04/30/2020	.10
Total 01-5600:				19.13
01-5610				
CENTRAL LINCOLN P.U.D.	042220	Utility Services	04/22/2020	2,513.73
Total 01-5610:				2,513.73
01-5621				
PETTY CASH	043020	Eugene Analytical labs travel for samples Meal Reimbursement (Brad)	04/30/2020	12.98
Total 01-5621:				12.98

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount
01-5630				
RUNIONS CONSTRUCTION LLC	04112021	rate to load and haul away vault material in surfland	04/11/2020	500.00
RUNIONS CONSTRUCTION LLC	04112021	rate for transport of equipment	04/11/2020	500.00
Total 01-5630:				1,000.00
01-5633				
AGGREGATE RESOURCE CRU	24945	1 1/2-0	04/15/2020	88.79
AGGREGATE RESOURCE CRU	24945	1-0	04/15/2020	73.84
ROAD & DRIVEWAY CO., INC.	0027589-IN	asphalt level 2.5	04/14/2020	655.91
ROAD & DRIVEWAY CO., INC.	0027589-IN	sand	04/14/2020	15.00
RUNIONS CONSTRUCTION LLC	04112021	cost for rock to be delivered to job site in surfland 10 yards	04/11/2020	300.00
Total 01-5633:				1,113.54
01-5720				
ROAD & DRIVEWAY CO., INC.	0027589-IN	308c excavator	04/14/2020	528.00
ROAD & DRIVEWAY CO., INC.	0027589-IN	labor	04/14/2020	1,848.00
ROAD & DRIVEWAY CO., INC.	0027589-IN	Roller	04/14/2020	380.00
ROAD & DRIVEWAY CO., INC.	0027589-IN	pickup truck	04/14/2020	132.00
ROAD & DRIVEWAY CO., INC.	0027589-IN	15 yard truck	04/14/2020	418.63
ROAD & DRIVEWAY CO., INC.	0027589-IN	mobilization of equipment	04/14/2020	552.50
ROAD & DRIVEWAY CO., INC.	0027589-IN	css1	04/14/2020	147.00
Total 01-5720:				4,006.13
Grand Totals:				11,821.48

Dated: APRIL 30, 2020

General Manager: A. Wechs

Dated: _____

Treasurer: _____

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

SEAL ROCK WATER DISTRICT
MINUTES OF THE
Regular Board Meeting By Conference Call Only
April 9, 2020

Introduction to Remote Meeting:

Adam Denlinger, General Manager, explained that this board meeting is being conducted remotely in order to mitigate the transmission of the novel coronavirus and reduced risk of covid-19 illness in accordance with Governor Brown's Executive Order 20-12 to suspend all public gatherings. Those present in the board room were sitting at least 6 feet apart and wearing face masks to promote the social distancing guidelines currently in place at the federal and state level. He further explained that the Board President will call each name to confirm those who are present. 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 4:00 p.m., Thursday, April 9, 2020.

Present:

President Rob Mills, confirmed that all commissioners present can hear each other by doing a roll call. Present by phone were Commissioner Karen Otta, member; Commissioner Glen Morris, member; Commissioner Deanna Gravelle, Treasurer. Present in the board room were: President Rob Mills; Staff: Adam Denlinger, General Manager; Joy King, Office Manager. No public attended in person nor by conference call.

Excused Absences: Commissioner Sandra Mies-Grantham

Announcements/Public Comments:

President Rob Mills asked if there's any announcement. Commissioner Glen Morris replied NO; Commissioner Deanna Gravelle replied NO; Commissioner Karen Otta replied YES. Her plan has changed so she will be able to attend the May 14 board meeting; Office Manager Joy King replied NO; General Manager Adam Denlinger replied NO.

Consent Calendar:

Items on the consent calendar are Invoice List for March/April 2020; March 12, minutes of the regular board meeting; March/April 2020 Financial Report; General Manager's Report. President Rob Mills asked if each commissioner has reviewed the items on the consent calendar. Commissioner Glen Morris answered YES, Commissioner Karen Otta answered YES, Commissioner Deanna Gravelle answered YES. Commissioner Glen Morris motioned to approve the consent calendar. Commissioner Karen Otta seconded the motion. There was a discussion on the interim interest rate, if the financial advisor was able to ask the bank for the possibility of a lower rate now that the federal government has again lowered the interest rate. The GM explained what the financial advisor's reply was. The market is very volatile as a result of the pandemic and that the lending institution may even increase the interest rate. President Rob Mills asked the commissioners for their votes: Commissioner Glen Morris voted YES; Commissioner Karen Otta voted YES; Commissioner Deanna Gravelle voted YES; President Rob Mills voted YES. Motion carried 4 - 0.

Decision Items:

Mid-Coast WPP:

The City of Newport who has served as a co-convenor and fiscal agent of the Mid-Coast Water Planning Partnership (MCWPP) is no longer able to serve in these roles. The District has been a vital partner serving in a leadership role as a co-convenor for the last three years. Oregon Water Resources has asked for SRWD to serve as a lead agency of the MCWPP to receive grant Funding of \$150,000 for funding the planning process of the MCWPP. Commissioner Glen Morris motioned to authorize the District to serve as a lead agency of the MCWPP. Commissioner Karen Otta seconded the motion. There was a discussion on how much time will the General Manager need as the fiscal agent of the MCWPP. The GM explained he has been involved as a co-convenor for the last three years and the additional responsibility will be managing the grant funding from OWRD and should not add significant time he is already spending as a co-convenor. After the discussion President Rob Mills asked for the commissioners' votes. Commissioner Glen Morris voted YES; Commissioner Karen Otta voted YES; Commissioner Deanna Gravelle voted YES; President Rob Mills voted YES. Motion carried 4 - 0.

FY 2020-21 Budget Calendar:

The current condition caused by the coronavirus pandemic could potentially impact the preparation of the FY 2020-21 budget. Staff is asking to consider adopting a revised budget calendar. This changes the budget committee meeting from April 16, 2020 to May 21, 2020. Postponing the budget process for 30 days will give staff time to better understand the impacts that would affect the FY 2020-21 budget. Commissioner Glen Morris motioned to approve the revised budget

calendar. Commissioner Karen Otta seconded the motion. President Rob Mills asked for the commissioners' votes. Commissioner Glen Morris voted YES; Commissioner Karen Otta voted YES; Commissioner Deanna Gravelle voted YES; President Rob Mills voted YES. Motion carried 4 – 0.

Discussion and Information Items:

Source Water Project Update:

Staff had a meeting with USDA representative to review the construction budget. The original construction budget included the pre-purchase of the membrane which was awarded to Westech at the beginning of the design phase and the cost of that was not remove before the construction went out to bid. With the miscalculation, additional engineering costs and contingencies at 5%, there is a shortfall of \$1,801,508 in the construction budget. Working with USDA the District is requesting a sub-grant (in addition to the original approved loan and grant application) which includes an additional \$200,000 loan and \$1,601,508 grant although there is no guarantee that this will be approved.

Interim loan with Truist will close April 10, 2020. The District received the signed contract documents from the contractor on March 27, 2020. The District is waiting for authorization from USDA to issue the Notice to Proceed to the contractor. The District will set up a virtual pre-construction meeting this month.

Rate Adjustment:

The agreement with the City of Toledo will terminate on October 31, 2020. The District at this time doesn't know what the wholesale rate will be after that date. There was a discussion on the importance of having a conversation with the City of Toledo regarding wholesale water rate. The information is needed for staff to prepare the budget for FY 2020-21. It was the consensus of the board for the President of the Board, Rob Mills to write a letter addressed to the City Mayor and the City Manager to set up a date and time to discuss the wholesale rate beyond October 31, 2020.

There was a discussion on what the District offers to those customers who are unable to pay their water bills due to unemployment as a result of the Governor's order to stay home to mitigate the spread of coronavirus. The District is implementing ways to help the customers consistent with the Executive Order by not turning off water of those who have past due bills, waiving late charges, and making it possible for customers to make arrangements for partial payments in time, depending on the amount of the past due bills.

Budget Committee Meeting:

The Budget Committee Meeting is scheduled for May 21, 2020 at 6:00 pm. It is more likely to be a remote meeting using conference call and video conference. Staff will look into using Microsoft Team or Zoom video conferencing to be able to see those attending and be able to share documents on the screen.

Adjournment: Commissioner Glen Morris motioned to adjourn the meeting. Commissioner Karen Otta seconded the motion. President Rob Mills adjourned the meeting at 4:55 p.m.

Next Board Meeting: May 14, 2020, at 4:00 p.m. Regular Board Meeting.

Approved by Secretary

Date:

Date: 5/1/2020

Monthly Statistics		Comments				
Total customers	2601	Includes new connection Less Abandoned / Forfeited meter plus 3 SRWD meters (shop X 2 & office) plus 1 Hydrant meter				
New connections	1					
Reinstalls	1					
Abandonments/Forfeitures/Meter Removed	0					
Financial Report		Checking/MM	LGIP/PFMMA	Fund Balances	Comments	
General	\$213,947.19	\$17,308.16	\$231,255.35			
Bond	\$771,450.03	\$0.00	\$771,450.03			
Capital Projects	\$88,299.52	\$7,898,935.56	\$7,987,235.08		\$2,691,821.79 G.O. Bond Proceeds;	
Revenue Bond	\$2,718.17	\$36,764.05	\$39,482.22			
Rural Development Reserve	\$0.00	\$58,062.50	\$58,062.50			
Dist. Office/Shop Reserve	\$361.10	\$134,338.67	\$134,699.77			
Depreciation Reserve	\$0.00	\$214,638.67	\$214,638.67			
SDC (formerly SIP)	\$0.00	\$465,675.92	\$465,675.92		\$1,006,861.50 SDC collections thru 4/30/2020	
Water Source Improvement Rsv	\$0.00	\$887,728.80	\$887,728.80			
TOTALS	\$1,076,776.01	\$9,713,452.33	\$10,790,228.34			
General Fund Review		Current	FYTD	Budgeted Amount	Comments	
Revenue	\$149,204.34	1,521,466.78	\$2,479,200.00			
Expenses	\$140,863.69	1,405,486.65	\$2,479,200.00		Contingency \$100,000; Transfers \$448,570; Total expenses budgeted \$1,930,630	
Net Gain or (Loss) from Operations	\$8,340.65	\$115,980.13				
Water Sales Revenue Comparison		Month	FYTD	Comments		
Projected Water Sales	\$139,303	\$1,462,343	Leak Adjustments & Billings Adjustments (YTD = July - June)			
Actual- In Lieu of Water Sales Less H2O CR	\$141,522	\$1,516,372	Less Billing Adj YTD \$669.88; Leak Adj YTD \$33.05			
Over or (Under)	\$2,219.03	\$54,029.27	TOTAL YTD ADJUSTMENTS \$701.77			
Gallage Comparison		Current	Prior Year	Cost Comparison	Current	Prior Year
Gallons Purchased	7,354,000	8,967,000	Toledo Charges	\$26,989.20	\$29,053.10	
Gallons Sold (includes accountable loss)	6,805,665	7,348,886	SRWD Sales	\$136,522.35	\$139,583.65	
Variance %	7.46%	18.05%	Ratio: Sales/Cost	5.06	4.80	
Accountable Water Loss (gallons)	585,270		City of Newport Intertie Usage		0	
Approval To Pay Bills	Payroll 4/10/2020 \$21,124.22		Payroll 4/24/2020 \$20,892.74			
Month of:	April	(after meetings)	May			
	GF A/P	\$16,199.20	GF A/P	\$355,084.33	up to 5/7/2020	
	CPF A/P	\$0.00	CPF A/P	\$0.00		
	Bond Fund	\$0.00	Bond / Rev Bond Fund	\$428,465.48		
	Depreciation Rsv	\$0.00	Depreciation Rsv	\$0.00		
	AMI Project-Phase 3	\$0.00	AMI Project-Phase 3	\$47,352.00		
	MP - Phase 4 (IFA)	\$0.00	MP - Phase 4 (IFA)	\$3,241.27		
	Prelim. MP- Phase 4(USDA)	\$0.00	Prelim. MP- Phase 4(USDA)	\$39,255.27		
	SDC Fund	\$0.00	SDC Fund	\$0.00		
	SRWD Funded	\$0.00	SRWD Funded	\$0.00		
Monthly Accrual Statistics		Beg. Balance	Accrued	Used/Paid	Balance	
	4/30/2020				5/31/2020	
Office Overtime Hours (2-01)	0.00	0.00	0.00	0.00		
Field Overtime Hours (2-02)	0.00	1.50	1.50	0.00		
PTO (3-01)	2623.23	121.86	71.50	2673.59		
Comp Time (9-01 / 9-02)	154.27	15.00	8.75	160.52		

PROJECT MONITORING REPORT With Exhibit A and Invoices	1. Type of Request Final <input type="checkbox"/> Partial <input checked="" type="checkbox"/>	2. Report No. 50
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3. REPORT PERIOD Date: 04/01/20-04/33/20	4. BORROWER INFORMATION	
Name: SEAL ROCK WATER DISTRICT		
Address: P. O. Box 190 Seal Rock, Oregon 97376		

BUDGET ITEMS	STATUS OF BUDGET					(d)+(e) TOTAL
	PROGRAMS	FUNCTIONS	ACTIVITIES			
	(a) Budgeted Amounts	(b) Budget Change	(c) Revised Budget	(d) Previous Total	(e) This Period	
All entries under column b must be justified with an attachment. All entries under column e must be documented with attached invoice.						
a. Administrative Expense- Preliminary		\$5,153	\$5,153	\$5,153		\$5,153
b. Preliminary Engineering- ER/PER		\$498,108	\$498,108	\$498,108		\$498,108
c. Geotechnical Studies				\$0		\$0
d. Land, Structures, Right-of-way				\$0		\$0
e. Civil West Engineering				\$0		\$0
1) Basic Engineering Svcs	\$563,763	(\$519,763)	\$44,000	\$44,000		\$44,000
2) Additional Services/Inspection	\$402,688	(\$62,099)	\$340,589	\$340,589		\$340,589
f. Other Engineering				\$0		\$0
1) AMI Engineering Services -Civil West		\$170,750	\$170,750	\$170,750		\$170,750
2) Additional Services				\$0		\$0
g. Interest & fees (interim financing)	\$210,000	(\$152,807)	\$57,193	\$57,193		\$57,193
h. Legal/Administration	\$201,344	(\$159,436)	\$41,908	\$41,908		\$41,908
i. Contingencies	\$595,375	(\$595,375)	(\$0)	\$0		\$0
j. Equipment	\$395,000	(\$385,270)	\$9,730	\$9,730		\$9,730
k. Demolition/Removal	\$365,000	(\$365,000)		\$0		\$0
l. Site Work	\$369,600	(\$369,600)		\$0		\$0
m. Construction Cost :	\$2,897,275	\$365,518		\$0		\$0
1) Sched: 1		(\$32,322)	\$960,871	\$960,871		\$960,871
2) Sched: 2		(\$26,111)	\$2,243,489	\$2,243,489		\$2,243,489
3) Other: B Creek-Electrical Work PUD		\$3,113	\$3,113	\$3,113		\$3,113
4) Other:SCADA-The Automation Group		\$29,112	\$29,112	\$29,112		\$29,112
5) AMI Project		\$1,363,901	\$1,363,901	\$1,363,901		\$1,363,901
6) AMI Project- Other Equipment		\$20,217	\$20,217	\$20,217		\$20,217
7) Schedule 2 - PRVs Project		\$130,785	\$130,785	\$130,785		\$130,785
8) Additional AMI Base Stations		\$87,967	\$87,967	\$1,445	\$47,352	\$48,797
n. TOTAL PROJECT COST	\$6,000,045	\$6,841	\$6,006,886	\$5,920,364	\$47,352	\$5,967,716
o. Funding Allocation						
1) Program Income= INTEREST			\$0	\$0		\$0
2) Rural Development Loan	\$3,451,000		\$3,451,000	\$3,451,000		\$3,451,000
3) Rural Development Grant	\$2,549,045		\$2,549,045	\$2,469,364	\$47,352	\$2,516,716
4) Other: DISTRICT CONTRIBUTION		\$6,841	\$6,841	\$0		\$0
5) Other:Interim Financing Loan	\$3,451,000		\$3,451,000	\$3,451,000		\$3,451,000
p. Total Project Funding (=line l)	\$6,000,045	\$6,841	\$6,006,886	\$5,920,364	\$47,352	\$5,967,716
q. Percentage of Completion				98.56%		99.35%

5. CERTIFICATION

I certify that; to the best of my knowledge and belief, the billed 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: _____	Date Submitted: _____
	Typed or Printed Name and Title: Adam Denlinger, General Manager	Telephone: 541-563-3529

6. RURAL DEVELOPMENT ACCEPTANCE

This form and attachments have been reviewed and are accepted by Rural Development, unless otherwise noted. This review and acceptance by Rural Development 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 DEVELOPMENT	Signature of Authorized Certifying Official: _____	Date Submitted: _____
	Typed or Printed Name and Title: Holly Halligan, USDA Area Specialist	Telephone: 541-801-2682



PO Box 190 – 1037 NW Grebe Street – Seal Rock, Oregon 97376
 Phone: 541.563.3529 – Fax 541.563.4246 – Web: www.srwd.org

Seal Rock Water District

General Manager's Report:
 Board Meeting May 14, 2020

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-4 SOURCE WATER PROJECT:

District staff and engineer along with funding partners from USDA-RD and Business Oregon hosted the Beaver Creek Source Water Improvement Pre-Construction Conference on April 30, 2020. Typically, this would be an in-person opportunity to get to know the contractor and discuss the expectations and responsibilities of the contractor/owner, subject to the conditions of the contract. However, due to limitations placed on us as a result of the Governor's executive order for gatherings of more than 10 persons, we hosted this event by video conference. Conducting this meeting was a significant first step in project startup with approximately 30-participants in attendance. Some project critical success factors include:

- No contamination of river or other permit violations
- Highly important to minimize changes to the project
- High-quality installation to provide decades of service
- Appropriate level of paperwork—regular communication to maintain clarity of work, to avoid delays, and to avoid surprises, but not so much paperwork that it becomes inefficient for all
- Timely communication on submittals, questions
- All contract documents have been executed.
- Notice to Proceed (NTP) was issued to the contractor on April 30, 2020.
- USDA-RD Sub-grant funding request was submitted and is in process at the national level. ↘

COVID-19 DISTRICT RESPONSE:

The district continues to comply with Governor, Kate Brown's Executive Order No. 20-05 restricting hosting events of more than 10-persons in high-risk populations. High-risk populations include older adults and those with underlying health conditions, as well as individuals without stable housing. We continue encouraging customers and staff to follow the CDC recommendations on social distancing by avoiding public spaces and limiting personal contact in the community. The Governor's office later extended the EO into May 2020. Seal Rock Water District will follow Governor Brown's direction and Oregon Health Authority's guidance and for the protection of customers and district employees continues to enforce measures that include:

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

Adam Deninger, General Manager

adenlinger@srwd.org

www.srwd.org

- All non-essential meetings of 10-persons or more will be held using the district video conference call system.
- To protect staff and the public SRWD will limit attendance to regularly scheduled Board meetings and Budget meetings to 10-persons and open a phone-in (conference line) option for those customers and attendees that wish to participate in the meetings.
- All non-essential travel by district representatives have been canceled.
- SRWD is encouraging district staff and customers to practice social distancing and follow measures provided by the CDC to stop the spread of.
- The District continues to limit access to the office by appointment only effective immediately until further notice.
- Customers are encouraged to pay their bill online at www.XpressBillPay.com or call 1-855-603-9201.
- Use our payment drop box located outside our office at 1037 NW Grebe Street or mail your payment to our PO Box.
- Enroll in the My Water Usage Customer Portal at biy.ly/mywaterusage.
- Temporary immediate suspension of delinquent turn-offs through the May billing cycle. This action will be reevaluated before the June billing cycle.
- Late fees and turn off/on fees have been suspended through May 2020.

Implementing these measures will reduce exposure to COVID-19 for our customers and staff. Like most municipal water suppliers throughout the state, we do not anticipate any disruption in service. We encourage anyone interested in learning more to please visit the CDC website for more information and updates on COVID-19 at www.cdc.gov/COVID19. We look forward to everyone staying healthy and getting back to normal as soon as possible.

OTHER NOTABLE ACTIVITIES FOR THE MONTH INCLUDE:

- Reviewed Easement and access agreements related to Phase-4 improvements.
- Attended the virtual Western Governors Association April 23rd & 24th.
- Attended meetings with bond counsel and USDA-RD representative to discuss interim financing.
- Attended on-site Beaver Creek water quality field data collection with GSI Consultants.
- Worked with general counsel regarding easement agreements.
- Provided input to SDAO Legislative Committee regarding a joint letter to Members of the Joint Special Committee on Coronavirus at the state capitol.
- Met with representative from OWRD to discuss transition of the Mid-Coast Water Planning Partnership.
- Worked with Jacobs and USDA-RD to complete the EJCDC E-500 engineer/owner service agreement.
- Met with representatives from City of Newport to discuss fire flow to the Newport Airport.
- Hosted representatives from OAWU to televise service lateral to the Newport Airport and provide fire flow testing. Field crews participating in this event will receive 6-CEU's.



PO Box 190 · 1037 NW Grebe Street · Seal Rock, Oregon 97376
Phone: 541.563.3529 · FAX 541.563.4246 · Email: info@srwd.org

Seal Rock Water District

DATE ACTION REQUESTED: May 14, 2020							
Ordinance		Resolution		Motion		Information	X
Date Prepared: May 4, 2020				Dept.: Administration			
SUBJECT: Toledo Joint Meeting				Contact Person for this Item: Adam Denlinger, General Manager adenlinger@srwd.org. 541-563-4447			

RECOMMENDED BOARD ACTION:

Consider a joint meeting with Toledo City Council on July 1, 2020.

FINANCIAL IMPACTS:

District staff is in the process of developing the 2020-2021 budget with no clear direction with regard to future wholesale water rate figures.

BACKGROUND:

The district is currently in the process of developing a district owned source water supply system to be completed in mid to late 2021. It was anticipated that this work would be completed by November 1, 2020, to coincide with the termination date of the water purchase agreement of October 31, 2020. Due to impacts affecting project approvals for scheduling this work, the district is behind schedule and will need a water supply through the third quarter of 2021 or longer.

During the April regular Board meeting the Board approved having the Board President provide a letter to the Toledo City Manager and Mayor requesting an opportunity to meet and discuss a future water purchase agreement. Upon receiving this letter, the Toledo City Manager offered to host a joint Toledo/SRWD meeting on July 1, 2020.

Some considerations for proposed discussion with the Toledo City Council include:

- District could agree to a 7.5% rate increase beginning November 1, 2020, through December 31, 2021.
- District could agree to pay the inside monthly base rate for a 6-inch commercial meter @ \$2,300.81.
- Additionally, the district should be open to negotiating an emergency water supply agreement for the use of water from Toledo beyond 2021.

Using the scenario outlined above beginning November 1, 2020 the district would pay 7.5% more per/1000 gallons of water, which would take the purchase of water per 1000/gallons from \$3.67 to \$3.95. This along with monthly base rate of \$2,300.81 would increase the average cost of water for the month of May from \$27,000 to \$29,060. Alternatively, the option exists to develop an agreement with the City of Newport for the purchase of water through 2021.

Understanding an anticipated rate adjustment will help the district financially plan for future water purchase through the budget process. Therefore, staff is recommending that the district work with Toledo representatives to develop a rate for the remainder of 2020 and all of 2021 if needed.

Submitted By: Adam Denlinger Adam Denlinger, General Manager



PO Box 190 – 1037 NW Grebe Street – Seal Rock, Oregon 97376
Phone: 541.563.3529 – Fax 541.563.4246 Website: www.srwd.org
My Water Usage Customer Portal: bit.ly/mywaterusage

Seal Rock Water District



15

Date: April 20, 2020
To: Judy Richter, City Manager
City of Toledo
206 N. Main Street
PO Box 220
Toledo OR. 97391
From: Rob Mills, Board President
Seal Rock Water District
RE: Water Purchase Agreement

Dear Ms. Richter,

As you may know, our long time president John Garcia retired recently from the Seal Rock Water District (SRWD) board. My board colleagues have asked me to serve as interim president to move forward with our projects and business priorities, one of which is our water purchase agreement with the City of Toledo.

Our current agreement with the City terminates on November 1, 2020. Construction of our new water supply system will begin this summer and we anticipate it will be delivering water to our customers by late 2021. As has been previously discussed with the City, SRWD will need a temporary water supply until our new system is up and running.

It is likely that SRWD and the City will be significantly impacted by the coronavirus shutdown of the economy. We are already having to change our projections for the next budget cycle to reflect uncertain revenues from customers who are out of work or whose businesses are suffering. We presume the City is facing a similar situation. Given this context it would be mutually beneficial to move forward with a water purchase agreement that ensures a revenue stream for the City and a reliable water supply for SRWD through the year 2021.

Under our current agreement, SRWD purchases about 50% of the water produced by the City and historically has paid about one-half of the City's water delivery costs. The City's charge for delivering water to SRWD has increased on average 7.5% annually. A future rate increase of 10% (\$4.05 per 1,000 gallons) was proposed in earlier discussions to ensure that the City receives more than the cost of treating and delivering water. With these figures as a reference point, would you and Mayor Rod Cross be willing to join Adam Denlinger and me in taking a fresh look at a framework for a water purchase agreement that would serve the interests of all parties through the year 2021?

I will follow up this letter with a phone call to you in a few days for your thoughts on the proposed meeting and how we might make that happen. Or, if you would prefer to respond by email my address is shown below. In the meantime, thank you for considering this proposal.

Sincerely,

Rob Mills
rmills@srwd.org

From: Rob Mills
To: Judy Richter
Cc: Adam Denlinger
Subject: RE: Letter dated April 20, 2020
Date: Friday, May 1, 2020 2:46:27 PM

Ms. Richter –

Thank you for your quick response to my letter and for your suggestion of a joint meeting on July 1. I will confirm with you SRWD’s availability for that meeting after I present your suggestion to our board on May 14. Meanwhile, I’d like to keep open the idea of Adam Denlinger and I working with you and Mayor Cross to develop a basic framework of an agreement – information and perspectives from both SRWD and the City – for us to present jointly to your council on July 1. I will get back to you with more thoughts on this mid-May.

Rob Mills
SRWD Board of Commissioners

From: Judy Richter
Sent: Monday, April 27, 2020 9:17 AM
To: Rob Mills
Cc: Rod Cross; david@osterlundlaw.com
Subject: Letter dated April 20, 2020

Mr. Mills

I received your letter on Friday. Thank you for starting the communication. After conferring with the mayor, I would like to suggest a joint meeting of the Seal Rock Water District and the City of Toledo on July 1, 2020 at 6 PM in our Council Chambers. If we are still not able to hold in-person meetings at the time, we can arrange a virtual meeting. Please let me know if you will be able to attend and I will save the time on the agenda. Thank you!

Judy M. Richter, City Manager
City of Toledo
Direct Line: 541-635-2003
Cell: 541-844-5280
P.O. Box 220
Toledo, OR 97391



Seal Rock Water District

DATE ACTION REQUESTED: May 14, 2020					
Ordinance	Resolution	Motion	Information	X	
Date Prepared: April 27, 2020			Dept.: Administration		
SUBJECT: Water Rate Adjustment			Contact Person for this Item: Adam Denlinger, General Manager adenlinger@srwd.org. 541-563-4447		

RECOMMENDED BOARD ACTION:

Consider a rate adjustment for FY 2020 - 2021

FINANCIAL IMPACTS:

The philosophy of the District has been to maintain a program of small annual increases to lessen the need for large one-time increases. Other considerations include; increases from the District's source water provider, satisfying annual debt service, transfers to capital and source water reserves.

BACKGROUND:

Historically, the SRWD Board of Commissioners evaluates the need for a rate increase and then requests that staff develop a proposal for a rate increase that will be provided to the community at a future public hearing. It is important to understand how much will be needed to ensure enough cash flow to cover future debt service to avoid huge spikes in the water rate. While the District received a relatively small increase (13.27%) at the beginning of the 2020 year for the purchase of wholesale water from the District's source water provider, it is anticipated that the District can expect future increases in the cost of source water to be higher.

While the district is currently in the process of developing a district owned source water supply system to be completed in mid 2021. It was anticipated that this work would be completed by November 1, 2020, to coincide with the termination date of the water purchase agreement of October 31, 2020. Due to impacts affecting project approvals for scheduling this work, we are behind schedule and will need a water supply into 2021.

It is anticipated that the District can expect future increases in the purchase cost of source water beginning November 2020 to be above our current rate. Therefore, staff is recommending that the district work with Toledo representatives to develop a rate for the remainder of 2020 and all of 2021 if needed. In the near-term, staff is providing the attached rate adjustment scenarios for the Boards consideration.

Adjustment in the rate is a policy decision and is subject to public hearing in accordance with ORS, Chapter 264.312. If the Board of Commissioners elects to adjust the rate, the Board will need to direct staff to reflect the adjusted rate in the budget and schedule a rate hearing for no later than June 11, 2020.

Submitted By: *A. Denlinger* Adam Denlinger, General Manager

RATE INCREASE SCENARIOS PRESENTATION

CURRENT RATE			SCENARIO 1				SCENARIO 2				SCENARIO 3			
			BASE INCR	WATER per 1,000 gallons			BASE INCR	WATER per 1,000 gallons			BASE INCR	WATER per 1,000 gallons		
			\$6.00	Average Rate Increase is 14.88%			\$2.00	Average Rate Increase is 10.49%			\$0.50	Average Rate Increase is 2.59%		
Use Rate	Total Bill		Use Rate	Total Bill	\$ Incr	% Incr.	Use Rate	Total Bill	\$ Incr	% Incr.	Use Rate	Total Bill	\$ Incr	% Incr.
Base		\$33.50		\$39.50	\$6.00	17.91%								
1,000	\$5.20	\$38.70	\$5.95	\$45.45	\$6.75	17.44%	\$2.00	\$35.50	\$2.00	5.97%	\$0.50	\$34.00	\$0.50	1.49%
2,000	\$6.40	\$45.10	\$7.15	\$52.60	\$7.50	16.63%	\$5.70	\$41.20	\$2.50	6.46%	\$5.20	\$39.20	\$0.50	1.29%
3,000	\$7.75	\$52.85	\$8.75	\$61.35	\$8.50	16.08%	\$6.90	\$48.10	\$3.00	6.65%	\$6.40	\$45.60	\$0.50	1.11%
4,000	\$8.41	\$61.26	\$9.41	\$70.76	\$9.50	15.51%	\$8.25	\$56.35	\$3.50	6.62%	\$7.75	\$53.35	\$0.50	0.95%
5,000	\$9.36	\$70.62	\$10.36	\$81.12	\$10.50	14.87%	\$9.41	\$65.76	\$4.50	7.35%	\$8.71	\$62.06	\$0.80	1.31%
6,000		\$79.98		\$91.48	\$11.50	14.38%	\$10.36	\$76.12	\$5.50	7.79%	\$9.76	\$71.82	\$1.20	1.70%
7,000		\$89.34		\$101.84	\$12.50	13.99%		\$86.48	\$6.50	8.13%		\$81.58	\$1.60	2.00%
8,000	\$10.99	\$100.33	\$12.99	\$114.83	\$14.50	14.45%		\$96.84	\$7.50	8.39%		\$91.34	\$2.00	2.24%
9,000		\$111.32		\$127.82	\$16.50	14.82%	\$12.99	\$109.83	\$9.50	9.47%	\$11.49	\$102.83	\$2.50	2.49%
10,000		\$122.31		\$140.81	\$18.50	15.13%		\$122.82	\$11.50	10.33%		\$114.32	\$3.00	2.69%
11,000		\$133.30		\$153.80	\$20.50	15.38%		\$135.81	\$13.50	11.04%		\$125.81	\$3.50	2.86%
12,000		\$144.29		\$166.79	\$22.50	15.59%		\$148.80	\$15.50	11.63%		\$137.30	\$4.00	3.00%
13,000		\$155.28		\$179.78	\$24.50	15.78%		\$161.79	\$17.50	12.13%		\$148.79	\$4.50	3.12%
14,000	\$13.73	\$169.01	\$15.73	\$195.51	\$26.50	15.68%	\$15.73	\$174.78	\$19.50	12.56%		\$160.28	\$5.00	3.22%
15,000		\$182.74		\$211.24	\$28.50	15.60%		\$190.51	\$21.50	12.72%	\$14.23	\$174.51	\$5.50	3.25%
16,000		\$196.47		\$226.97	\$30.50	15.52%		\$206.24	\$23.50	12.86%		\$188.74	\$6.00	3.28%
17,000		\$210.20		\$242.70	\$32.50	15.46%		\$221.97	\$25.50	12.98%		\$202.97	\$6.50	3.31%
18,000	\$20.50	\$230.70	\$22.50	\$265.20	\$34.50	14.95%		\$237.70	\$27.50	13.08%		\$217.20	\$7.00	3.33%
19,000		\$251.20		\$287.70	\$36.50	14.53%	\$22.50	\$260.20	\$29.50	12.79%	\$21.00	\$238.20	\$7.50	3.25%
20,000		\$271.70		\$310.20	\$38.50	14.17%		\$282.70	\$31.50	12.54%		\$259.20	\$8.00	3.18%
21,000	\$21.93	\$293.63	\$23.93	\$334.13	\$40.50	13.79%		\$305.20	\$33.50	12.33%		\$280.20	\$8.50	3.13%
22,000		\$315.56		\$358.06	\$42.50	13.47%	\$23.93	\$329.13	\$35.50	12.09%	\$22.43	\$302.63	\$9.00	3.07%
23,000		\$337.49		\$381.99	\$44.50	13.19%		\$353.06	\$37.50	11.88%		\$325.06	\$9.50	3.01%
24,000		\$359.42		\$405.92	\$46.50	12.94%		\$376.99	\$39.50	11.70%		\$347.49	\$10.00	2.96%
25,000		\$381.35		\$429.85	\$48.50	12.72%		\$400.92	\$41.50	11.55%		\$369.92	\$10.50	2.92%
30,000		\$491.00		\$549.50	\$58.50	11.91%		\$424.85	\$43.50	11.41%		\$392.35	\$11.00	2.88%
						14.88%		\$544.50	\$53.50	10.90%		\$504.50	\$13.50	2.75%
										10.49%				2.59%
Domestic Added Income				\$283,988				\$141,392				\$30,214		
Commercial Inside & Outside														
Domestic Outside				\$3,287				\$1,125				\$311		
TOTAL:				\$287,275				\$142,516				\$30,526		

NOTE: Scenarios 1 and 2 are based on the assumption that the District will receive an outside wholesale rate. The District needs \$287,000 to balance the budget.

SCENARIO 1: A combination of increase of \$6.00 in base rate plus increases in water usage will bring in \$287,275 or an average increase of 14.88%.

SCENARIO 2: The assumption is that the District will use \$145,000 from its reserve and increase the base rate \$2.00 plus increases in water usages will bring in \$142,516 or an average increase of 10.49%.

SCENARIO 3: The assumption is that the District will receive an inside wholesale rate, the budget would be balanced without an increase. The minimal increase of .50 in base charge and increases in water usages will bring in \$30,526 or an average increase of 2.59% consistent with the annual CPI.

REQUEST FOR OBLIGATION OF FUNDS

19

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 - 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 (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	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		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.

CHARLOTTE BENTLEY BENTLEY
Digitally signed by 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.