

agenda
City of Brookings
Common Council Meeting
City Hall Council Chambers
898 Elk Drive
Brookings, Oregon, 97415 - 7:00 p.m.
September 22, 1997

Thank You

*For supporting the
Sewer Bond Election*

agenda

CITY OF BROOKINGS
COMMON COUNCIL MEETING
Brookings City Hall Council Chambers
898 Elk Drive, Brookings, Oregon
September 22, 1997
7:00 p.m.

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

IV. CEREMONIES/APPOINTMENTS/ANNOUNCEMENTS

- A. Proclamation - National Emblem Club Week in Brookings (pink)
- B. Proclamation - Savage Rapids Dam Task Force (blue)
- C. Proclamation - Recycling Awareness Week (yellow)
- D. Proclamation - National Disability Employment Awareness Month (green)

V. PUBLIC HEARING

VI. SCHEDULED PUBLIC APPEARANCES

VII. ORAL REQUESTS AND COMMUNICATIONS FROM THE AUDIENCE

- A. Committee and Liaison reports
 - 1. Planning Commission
 - 2. Parks and Recreation Commission
 - 3. Chamber of Commerce
- B. Unscheduled

VIII. STAFF REPORTS

- A. City Manager
 - 1. DEQ State Revolving Fund loan application (orange)
 - 2. Refurbish outside of City Hall (cream)

3. Brookings-Harbor High School student representatives (no distributed material)
4. Brookings Harbor Youth Association request (no distributed material)
5. Friends of Kidtown request (tan)
- B. Community Development
 1. Ransom Street storm drainage adjacent to John Zia's property (gold)
 2. Bridge Street vacation (green)

IX. CONSENT CALENDAR

- A. Approval of Council Meeting Minutes
 1. Minutes of September 8, 1997 Regular Meeting (yellow)
- B. Acceptance of Commission/Committee Minutes
 1. Minutes of August 28, 1997 Regular Parks and Recreation Commission Meeting (blue)

(end Consent Calendar)

X. ORDINANCES/RESOLUTIONS/FINAL ORDERS

- A. Ordinances
 1. Ordinance No. 97-O-524 - An ordinance vacating a 0.94 acre portion of the Bridge Street right-of-way located on the South side of Bridge Street (pink)
 - a. Final Order and Findings of Fact for VAC-1-97 (tan)
 - b. Acceptance of Quit Claim Deed transferring title back to State (orange)
- B. Resolutions
 1. Resolution No. 97-R-624 - A resolution of the City of Brookings, Oregon authorizing and approving a State Revolving Fund Loan Agreement to finance a Wastewater Treatment Facilities Project (cream)

XI. REMARKS FROM MAYOR AND COUNCILORS

- A. Mayor
- B. Council

EXECUTIVE SESSION - ORS 192.660 (1) (i) - Performance Evaluation of Public Officers and Employees

XII. ADJOURNMENT

PROCLAMATION



WHEREAS, THE WOMEN OF BROOKINGS EMBLEM CLUB #265 OF THE SUPREME EMBLEM CLUB OF THE UNITED STATES OF AMERICA, IN PROMULGATING COMMUNITY SERVICE, HAVE ACTIVELY ENGAGED IN SEEKING OUT THE WORTHY AND THE NEEDY IN OUR COMMUNITY, AND

WHEREAS, THEIR ASSISTANCE AND GUIDANCE OF YOUNG MEN AND WOMEN IS EVIDENCED BY THE GREAT NUMBERS OF SCHOLARSHIPS AWARDED AT THE LOCAL, STATE AND NATIONAL LEVEL, ASSURES THE ADVANCED EDUCATION OF THE DESERVING, AND

WHEREAS, THE NEEDS OF THE AGED, THE CRIPPLED, THE MENTALLY RETARDED, THE HANDICAPPED, THE HOSPITALIZED, THE VETERANS, AND THE POOR ARE CONSIDERED AND FULFILLED INsofar AS CAN BE, AND

WHEREAS, THE MEMBERS ARE VITALLY CONCERNED WITH THE IMMEDIATE AND PERMANENT NEEDS OF THOSE PLACED IN STRESS BY REASON OF FLOOD, QUAKE, HURRICANE AND OTHER DISASTERS OF NATURE, AND

WHEREAS, THESE ARE DEDICATED TO THE PRINCIPLE OF PHILANTHROPIC ENDEAVOR,

NOW, THEREFORE, BE IT RESOLVED THAT THE DEEDS OF DEDICATED, CHARITABLE WOMEN OF THE BROOKINGS EMBLEM CLUB #265 OF THE SUPREME EMBLEM CLUB OF THE UNITED STATES OF AMERICA BE RECOGNIZED, AND THAT THE WEEK OF SEPTEMBER 14-21, 1997 BE PROCLAIMED

"NATIONAL EMBLEM CLUB WEEK IN BROOKINGS".

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND CAUSED THE SEAL OF THE CITY OF BROOKINGS TO BE AFFIXED THIS 22ND DAY OF SEPTEMBER, 1997.

NANCY BRENDLINGER
MAYOR

PROCLAMATION

WHEREAS: The Savage Rapids Dam Task Force was appointed by the Governor of Oregon, in consultation with the President of the Oregon State Senate, to be inclusive of all of the constituency groups within the Rogue River Basin and to be inclusive of all of the specific constituencies-of-interest surrounding Savage Rapids Dam, and;

WHEREAS: The Savage Rapids Dam Task Force did methodically hear and consider testimony from a broad group of experts in the fields of hydrology, fisheries management, fisheries habitat, fish passage design, the Endangered Species Act, hydro-mechanical operation of irrigation systems and other related subjects over a one year period of deliberation, and;

WHEREAS: The Savage Rapids Dam Task Force did reach a consensus set of recommendations, known as the 4B Option, which will provide state-of-the-art fish passage facilities at Savage Rapids Dam in accordance with the requirements of the National Marine Fisheries Service and other State and Federal fisheries agencies, and;

WHEREAS: The Savage Rapids Dam Task Force 4B Recommendations will provide the lowest construction cost of any other option including dam removal and will provide the lowest cost delivered irrigation water to the lands and populations served by the Grants Pass Irrigation District compared to any other option including dam removal, and;

WHEREAS: The Savage Rapids Dam Task Force 4B Recommendations can be implemented with the greatest protection for the habitat of Rogue River anadromous salmon and steelhead populations while retaining the recreational and economic benefits of the Savage Rapids Dam and its impoundment for future generations of residents and visitors.

THEREFORE: We, the community leadership of Curry County, Oregon, do support and encourage the implementation of the Savage Rapids Dam Task Force 4B Recommendations and do support and encourage Federal and State officials to expedite the process of funding such implementation of those 4B Recommendations at Savage Rapids Dam in Josephine and Jackson Counties, Oregon.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Brookings to be affixed this 22nd day of September, 1997.

Nancy Brendlinger, Mayor



CITY OF GOLD BEACH

29592 Ellensburg Avenue, Gold Beach, Oregon 97444

Phone (541) 247-7029 - FAX (541) 247-2212

September 12, 1997

Tom Weldon, Manager
City of Brookings
898 Elk Drive
Brookings OR 97415

**RE: REQUEST OF YOUR SUPPORT OF SAVAGE RAPIDS DAM TASK FORCE 4B
RECOMMENDATIONS**

Dear Tom:

Please join me in supporting the enclosed Proclamation. Former Curry County Commissioner Hanscam and myself served on the Governor's Task Force for the Savage Rapids Dam.

One of our tasks was to decide if the Dam needed to be removed or improved for fish enhancement.

The Task Force consisted of sixteen people, representing Water Watch, Oregon Guides and Parkers, GPID (Grants Pass Irrigation District), three county commissioners, three mayors, private property owners and local guides and an ODFW Biologist.

During the ten months of bi-monthly meetings, an enormous amount of information was studied. As we moved forward, an alternate plan was developed that would vastly improve the fish ladders and be less expensive than removal.

We were also charged with assessing the economic factors of removal. It became very apparent that in the sixty six years the Dam has been there, the economy has grown around that section of the river because of the impoundment caused by the Dam.

Some of my greatest concerns regarding the removal of the Dam were:

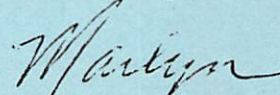
1. There has never been a study to determine if there is fish mortality at that Dam.
2. None of the removal alternatives addressed the sediment behind the Dam. It would be extremely costly to remove it.
3. The sediment has been building for sixty six years. Long before sound environmental practices were put in place for mining, etc.
4. The sediment could ruin the spawning beds below the Dam.

This happened in Idaho.

5. Our Rogue River bar has continual shoaling problems. The dredging of the bar is tenuous at best. We can't afford more shoaling of the Rogue River basis. The jet boat trips have to dredge in spots even now.

In closing, I hope you will support the Task Force recommendation as a good common sense alternative for all.

Sincerely,



Marlyn Schafer
Mayor

MS/sw

cc: State Representative Ken Messerle
State Senator Veral Tarno
Curry County Commissioners
City of Port Orford

f:savdam

DENNIS M. BECKLIN, CHAIRMAN
SAVAGE RAPIDS DAM TASK FORCE

REVISED RVCOG COST ESTIMATES FOR GPID
FILE NAME: "SRDTF-RVCOG-201.123"
SHEET NAME: "BUILD COMP"
SEPTEMBER 4, 1997 REV:J

CONSTRUCTION COSTS

| Capital Construction Cost Estimated In 1997 Dollars | PR/FES Pumping Alternative (BurRec Figures) | PR/FES Dam Retention (BurRec Figures) | SRDTF 4B Dam Retention Alternative (No Change Option) | SRDTF 4B Dam Retention Alternative (Most Probable) | SRDTF 4B Dam Retention Alternative (Lowest Cost) |
|--|---|---|---|--|--|
| River Control - North Side Construction | \$0 | \$119,000 | \$119,000 | \$119,000 | \$0 |
| North Fish Ladder | \$0 | \$3,843,000 | \$3,843,000 | \$3,843,000 | \$0 |
| Vertical Fish Screens | \$0 | \$4,374,000 | \$417,000 | \$417,000 | \$417,000 |
| River Control - South Side Construction | \$0 | \$103,000 | \$103,000 | \$103,000 | \$103,000 |
| South Fish Ladder | \$0 | \$2,333,000 | \$2,333,000 | \$2,333,000 | \$2,333,000 |
| Replace Radial Gates | \$0 | \$2,092,000 | \$2,092,000 | \$0 | \$0 |
| Spillway / Stoplogs | \$0 | \$54,000 | \$0 | \$0 | \$0 |
| Removable Dam Crest Overflow Sections | \$0 | \$631,000 | \$0 | \$0 | \$0 |
| Crest Modification and Crest Gate | \$0 | \$0 | \$631,000 | \$631,000 | \$631,000 |
| Plunge Pool | \$0 | \$507,000 | \$507,000 | \$507,000 | \$507,000 |
| Downstream Rock Excavation | \$0 | \$846,000 | \$846,000 | \$846,000 | \$846,000 |
| Gravly Canal Drum Screens | \$0 | \$893,000 | \$893,000 | \$893,000 | \$893,000 |
| Fish Viewing Platform | \$0 | \$56,000 | \$56,000 | \$56,000 | \$0 |
| Access RD / Parking Lot | \$0 | \$124,000 | \$124,000 | \$124,000 | \$0 |
| Juvenile Fish trap Facility | \$0 | \$689,000 | \$689,000 | \$689,000 | \$689,000 |
| North Discharge Pipeline | \$0 | \$388,000 | \$388,000 | \$0 | \$0 |
| South Discharge Pipeline | \$0 | \$524,000 | \$524,000 | \$0 | \$0 |
| Turbines & Gearing / Modifications to Pumping Plant | \$0 | \$1,340,000 | \$0 | \$0 | \$0 |
| Modifications to Pumping Plant | \$0 | \$0 | \$394,000 | \$394,000 | \$394,000 |
| Pumps & Remaining Items | \$0 | \$789,000 | \$451,000 | \$451,000 | \$0 |
| Elec. Motors / Transmission Lines | \$0 | \$0 | \$485,000 | \$485,000 | \$0 |
| Dam Removal | \$5,598,000 | \$0 | \$0 | \$0 | \$0 |
| North Pumping Plant | \$2,470,000 | \$0 | \$0 | \$0 | \$0 |
| South Pumping Plant | \$4,560,000 | \$0 | \$0 | \$0 | \$0 |
| O&M Existing Deficiencies | \$0 | \$169,000 | \$169,000 | \$169,000 | \$169,000 |
| Total Capital Construction Cost | \$12,628,000 | \$19,874,000 | \$15,064,000 | \$12,060,000 | \$6,982,000 |

Note 1: The SRDTF "No Change Option" includes \$3,004,000 in cost items that are not required. The GPID has already replaced the north discharge pipeline (\$388,000) and the south discharge pipeline has been found fit for continued use by the 1996 Bureau of Reclamation Inspection (\$524,000). The radial gates at the base of the dam do not require mandatory replacement and can be maintained in operable condition with appropriate maintenance by GPID (\$2,092,000). The resulting savings of \$3,004,000 from the SRDTF "No Change Option" results in the "Most Probable Option" construction cost of \$12,060,000.

Note 2: The "Lowest Cost Option" is a proposed option that anticipates fish passage facilities with only one fish ladder at Savage Rapids Dam. This option could be acceptable to the National Marine Fisheries Service and should be pursued as the lowest cost alternative at the dam.

DENNIS M. BECKLIN, CHAIRMAN
SAVAGE RAPIDS DAM TASK FORCE

REVISED RVCOG COST ESTIMATES FOR GPID

FILE NAME: "SRDTF-RVCOG-201.123"

SHEET NAME: "WATER COST"

SEPTEMBER 4, 1997 REV:J

SUMMARY OF IRRIGATION WATER FEES

SRDTF ELECTRICAL \$\$ 217,060 NA 90,949 90,949 90,949

| | 1997 GPID Irrigation Water Prices to Patrons (GPID Figures) | Dam Removal and Electrical Water Pumping Alternative Proposed in the Final Environmental Statement (BurRec Figures) | Dam Retention and Water Turbine Pumping Alternative Proposed in the Final Environmental Statement (BurRec Figures) | Dam Retention and Electrical Water Pumping Alternative Proposed by the Savage Rapids Dam Task Force (No Change Design) | Dam Retention and Electrical Water Pumping Alternative Proposed by the Savage Rapids Dam Task Force (Most Probable) | Dam Retention and Electrical Water Pumping Alternative Proposed by the Savage Rapids Dam Task Force (Lowest Cost) |
|--------------------------------------|--|---|--|--|---|---|
| 1. Non-Irrigating GPID Patron | \$39.00 | \$45.89 | \$396.69 | \$72.05 | \$60.08 | \$58.64 |
| 2. Small Water User - 1 Acre or Less | \$82.00 | \$116.87 | \$439.81 | \$126.77 | \$114.80 | \$113.36 |
| 3. Small Water User - 2 Acres | \$127.00 | \$196.73 | \$842.62 | \$216.55 | \$192.61 | \$189.72 |
| 4. Small Water User - 5 Acres | \$262.00 | \$436.33 | \$2,051.05 | \$485.87 | \$426.02 | \$418.81 |
| 5. Medium Water User - 10 Acres + | \$487.00 | \$835.66 | \$4,065.11 | \$934.75 | \$815.04 | \$800.61 |
| 6. Large Water User - 40 Acres + | \$1,837.00 | \$3,231.64 | \$16,149.44 | \$3,627.99 | \$3,149.17 | \$3,091.44 |

Contingency Expenses:

| | | | | | | |
|----------------------------------|-----|---------|----------|----------|----------|----------|
| 1. Professional Fees (Legal) | \$0 | \$7,500 | \$25,000 | \$25,000 | \$25,000 | \$25,000 |
| 2. Incidental Take Permit (NMFS) | \$0 | \$0 | \$25,000 | \$25,000 | \$25,000 | \$25,000 |

DENNIS M. BECKLIN, CHAIRMAN
SAVAGE RAPIDS DAM TASK FORCE

REVISED RVCOG COST ESTIMATES FOR GPID
FILE NAME: "SRDTF-RVCOG-201.123"
SHEET NAME: "COST DATA"
SEPTEMBER 4, 1997 REV:J

ELECTRICAL POWER CONSUMPTION

| Annual Electrical Power Costs Estimated in 1997 Dollars | PR/FES Pumping Alternative (BurRec Figures) | PR/FES Dam Retention (BurRec Figures) | SRDTF 4B Dam Retention Alternative (BurRec Figures) | SRDTF 4B Dam Retention Alternative (Most Probable) | SRDTF 4B Dam Retention Alternative (Lowest Cost) |
|--|---|---|---|--|--|
| Pumps, Motors & Valves / Turbines & Gearing | \$0 | \$0 | \$90,160 | \$90,160 | \$90,160 |
| No. Pumping Plant to Tokay Discharge Line | \$92,865 | \$0 | \$0 | \$0 | \$0 |
| North Pumping Plant Discharge Line | \$0 | \$0 | \$0 | \$0 | \$0 |
| So. Pumping Plant, Screens, Transmission Line, etc. | \$124,195 | \$0 | \$0 | \$0 | \$0 |
| South Pumping Plant Gravity Discharge Line | \$0 | \$0 | \$0 | \$0 | \$0 |
| So. Pumping Plant Highline/Savage Discharge Line | \$0 | \$0 | \$0 | \$0 | \$0 |
| North Fish Ladder | \$0 | \$0 | \$0 | \$0 | \$0 |
| South Fish Ladder | \$0 | \$0 | \$0 | \$0 | \$0 |
| Vertical Fish Screens | \$0 | \$451 | \$113 | \$113 | \$113 |
| Gravity Canal Drum Screens | \$0 | \$225 | \$225 | \$225 | \$225 |
| Spillway Crest Gates | \$0 | \$0 | \$0 | \$0 | \$0 |
| Maintenance on Dam Facilities | \$0 | \$225 | \$225 | \$225 | \$225 |
| Access Rd / Parking Lot | \$0 | \$0 | \$0 | \$0 | \$0 |
| Electrical Power Sub-Total | \$217,060 | \$902 | \$90,724 | \$90,724 | \$90,724 |
| Juvenile Fish Trap Facility (ODFW) | \$0 | \$0 | \$225 | \$225 | \$225 |
| Annual Electrical Power Total | \$217,060 | \$902 | \$90,949 | \$90,949 | \$90,949 |

PROCLAMATION

WHEREAS, Oregonians appreciate our state's natural beauty and natural resources and want to preserve them for future generations; and

WHEREAS, Schools, businesses, institutions, and industries continue to reduce waste, reuse items, and recycle; and

WHEREAS, Oregonians understand the value of using resources such as water, energy, and materials efficiently to maintain Oregon's high quality of life and natural beauty;

NOW, THEREFORE, I, Nancy Brendlinger, Mayor of the City of Brookings, hereby proclaim the week of October 4 through 11, 1997 the 12th annual

"RECYCLING AWARENESS WEEK IN BROOKINGS"

and encourage each citizen to practice the essential habits of reusing and recycling in their homes, workplaces, and schools.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Brookings to be affixed this 22nd day of September, 1997.

Nancy Brendlinger
Mayor



PROCLAMATION

WHEREAS, 20% of the population of the United States of America is comprised of people with disabilities; and

WHEREAS, current studies place unemployment among the country's population of people with disabilities at more than 70%; and

WHEREAS, more than 2/3 of adults with disabilities in this country desire to work but cannot find employment; and

WHEREAS, the Americans with Disabilities Act provided civil rights protection for America's 49,000,000 persons with disabilities; and

WHEREAS, America's shrinking labor force requires employers to utilize untapped human resources, such as persons with disabilities;

NOW, THEREFORE, I, Nancy Brendlinger, Mayor of the City of Brookings, hereby proclaim October, 1997 as

"DISABILITY EMPLOYMENT AWARENESS MONTH IN BROOKINGS"

and encourage all residents of to observe the month by learning about people with disabilities, their strengths and abilities and the programs which serve their needs.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Brookings to be affixed this 22nd day of September, 1997.

Nancy Brendlinger
Mayor

MEMORANDUM

To: Mayor and City Council

From: Tom Weldon, City Manager *Tom*

Subject: DEQ State Revolving Fund Loan Application

Date: September 17, 1997

Attached is the revised DEQ State Revolving Fund Loan Application. This document has been reviewed and recommended by the City Attorney.

-com-

**CLEAN WATER STATE REVOLVING FUND
LOAN AGREEMENT
No. R18230**

BETWEEN

**THE STATE OF OREGON
DEPARTMENT OF ENVIRONMENTAL QUALITY
(THE "DEQ")**

AND

**THE CITY OF BROOKINGS
(THE "BORROWER")**

TABLE OF CONTENTS

| | |
|--|----|
| ARTICLE 1: THE LOAN - SPECIFIC TERMS, CONDITIONS AND PROVISIONS | 2 |
| ARTICLE 2: DEFINITIONS..... | 3 |
| ARTICLE 3: GENERAL LOAN PROVISIONS..... | 5 |
| ARTICLE 4: TERMS, CONSIDERATIONS, AND PROCEDURES | 7 |
| ARTICLE 5: GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS | 12 |
| ARTICLE 6: REPRESENTATIONS, WARRANTIES AND COVENANTS RELATING TO CONSTRUCTION PROJECTS ONLY | 14 |
| ARTICLE 7: RIGHTS OF DEQ; LIMITATIONS ON DEQ RESPONSIBILITIES | 16 |
| ARTICLE 8: DEFAULT AND REMEDIES | 17 |
| ARTICLE 9: SRF PROCEDURES MANUAL | 19 |
| ARTICLE 10: APPLICABLE FEDERAL AUTHORITIES AND LAWS ("CROSS-CUTTERS") | 19 |
| ARTICLE 11: LOAN EXECUTION | 21 |
| APPENDIX A: PRELIMINARY REPAYMENT SCHEDULE | 22 |
| APPENDIX B: RESOLUTION | 23 |

ARTICLE 1: THE LOAN - SPECIFIC TERMS, CONDITIONS AND PROVISIONS

- (A) **BORROWER:** City of Brookings.
- (B) **LOAN NO.:** R18230.
- (C) **LOAN AMOUNT:** \$13,100,000.
- (D) **PROJECT TITLE:** Wastewater Treatment System Improvements.
- (E) **DATE OF AGREEMENT:** September 2, 1997.
- (F) **ESTIMATED COMPLETION DATE:** May 1, 2001.
- (G) **INTEREST RATE:** 3.69% per annum. Calculation of interest is also discussed in Section 4(G) on page 10 and in Section 4(I) on page 10 of this agreement.
- (H) **LOAN PROCESSING FEE:** 1.5% of the Final Loan Amount will be due with the first repayment following the determination of the Final Loan Amount as discussed in Section 2(G) on page 4 and Section 4(H)(1) on page 10 of this agreement.
- (I) **LOAN SERVICING FEE:** 0.5% of the outstanding principal will be due annually beginning with the second repayment as discussed in Section 4(H)(2) on page 10 of this agreement.
- (J) **TERMS OF REPAYMENT:** Forty semi-annual payments beginning with an interest-only payment six months after project completion. When all disbursements have been made and the Final Loan Amount is determined, a repayment schedule amortizing the loan over the remaining repayment period will be prepared. Attached as Appendix A is a preliminary repayment schedule based on an estimated disbursement schedule and the original Loan Amount. Repayment is also discussed in Section 4(I) on page 10 of this agreement.
- (K) **BORROWER'S ADDRESS:** City of Brookings
898 Elk Drive
Brookings, Oregon 97415
- (L) **DESCRIPTION OF THE PROJECT:** Wastewater treatment facilities improvement project.
- (M) **CONSTRUCTION COSTS.** As of the date of this Loan Agreement, the Borrower has already incurred \$0 in construction costs on the Project.
- (N) **TYPE OF LOAN.** The loan authorized by this Loan Agreement has been approved by the DEQ as an "Revenue Secured Loan" pursuant to OAR Section 340-54-065(2).

(O) BORROWER'S AUTHORIZATION. The Borrower has authorized this agreement pursuant to ORS 468.439 by Resolution No. _____, which was duly passed by the Borrower's City Council on _____, 1997. A copy of this document is attached as Appendix B.

(P) PLEDGE. The Borrower hereby pledges its Net Operating Revenues to pay the amounts due under this Loan Agreement. The Borrower covenants with the DEQ and any assignee of this Agreement that the Borrower shall not issue any other obligations which have a pledge or lien on the Net Operating Revenues which is superior to or on a parity with the pledge herein granted without the written permission of the DEQ. This loan is a parity obligation with all other State Revolving Fund loans between the DEQ and the Borrower.

(Q) COVERAGE REQUIREMENT. Until the loan is repaid in full, the Borrower covenants with the DEQ to maintain sewer rates sufficient to meet the requirements listed in Section 4(D) on page 8 with a debt service coverage factor of 105%.

(R) LOAN RESERVE REQUIREMENT. The Borrower covenants with the DEQ and any assignee of this Loan Agreement that the Borrower shall establish and maintain a Loan Reserve Account as described in Section 4(E) on page 9. The Loan Reserve Requirement shall be an amount that equals 100% of the average annual debt service as shown on the repayment schedule. Until the Final Loan Amount is calculated, the Loan Reserve Requirement equals the lesser of one-half of the loan proceeds disbursed to date, or \$948,615.

ARTICLE 2: DEFINITIONS

Unless the context otherwise requires, the capitalized terms used in this Loan Agreement shall have the meanings defined in this Article.

(A) "BORROWER" means the public jurisdiction shown as the "Borrower" in Section 1(A) on page 2.

(B) "COMPLETION DATE" means either the date on which a facility planning project is accepted by the Department, the date on which a design project is ready for the contractor bid process, or the date on which a construction project is substantially complete and ready for initiation of operations.

(C) "COSTS OF THE PROJECT" means expenditures approved by the DEQ which are necessary to construct the Project in compliance with DEQ requirements which may include but are not limited to the following items:

(1) Obligations of the Borrower incurred for labor and materials and all costs which the Borrower shall be required to pay under the terms of any contract for the design, acquisition, construction or installation of the Project;

(2) Engineering fees for the design and construction of the Project.

(3) The costs of contract bonds and of insurance of all kinds that may be required or necessary during the course of completion of the Project;

(4) The legal, financing and administrative costs of obtaining the loan and completing the Project; and

(5) Any other costs approved in writing by the DEQ.

(D) "DEQ" means the State of Oregon, acting by and through the Director of the Oregon Department of Environmental Quality or the Director's authorized representative.

(E) "DIRECTOR" means the Director of the Oregon Department of Environmental Quality or the Director's authorized representative.

(F) "FACILITY" means the Borrower's wastewater collection, treatment and disposal systems.

(G) "FINAL LOAN AMOUNT" means the total of all loan proceeds disbursed to the Borrower including any Loan Agreement amendment increases or decreases. The Final Loan Amount will be determined when the project is complete or the Borrower indicates that no further loan funds will be requested, or all eligible expenditures have been reimbursed from the loan proceeds. The Final Loan Amount will be amortized over the balance of the repayment period on a final repayment schedule.

(H) "LOAN AGREEMENT" or "AGREEMENT" means this Loan Agreement, its appendices, and any amendments or supplements thereto.

(I) "LOAN AMOUNT" means the maximum amount the DEQ agrees to loan the Borrower as shown in Section 1(C) on page 2. This amount may be changed by an amendment to the Loan Agreement approved by both parties.

(J) "NET OPERATING REVENUES" means the gross sewer system revenues less the operating expenses. Gross revenues are all fees and charges resulting from operation of the sewer system, and any interest earnings thereon. However, gross revenues for the purpose of this Loan Agreement does **not** include: any payments of assessments levied against properties; the proceeds of any grants; the proceeds of any borrowings for capital improvements; the proceeds of any liability insurance; or the proceeds of any casualty insurance which the Borrower intends to utilize for repair or replacement of the sewer system. Operating expenses includes all direct and indirect expenses incurred for operation, maintenance and repair of the sewer system, including but not limited to administrative expenses, financial and accounting expenses, insurance premiums, claims (to the extent that monies are not available from proceeds of insurance), taxes, legal and engineering expenses relating to the operation and maintenance, payments and reserves for pension, retirement, health, hospitalization, and sick leave benefits, and any other similar expenses to be paid to the extent properly and directly attributable to operations of the sewer system.

(K) **"OUTSTANDING LOAN AMOUNT"** means the sum of all disbursements to the Borrower hereunder less the sum of all loan principal repayments.

(L) **"PROJECT"** means the facilities, activities or documents described in Section 1(L) on page 2.

(M) **"SRF"** means the State Revolving Fund. The State Revolving Fund is the same as the Water Pollution Control Revolving Fund referred to in ORS Chapter 468, Division 423.

(N) **"STATE"** means the State of Oregon.

ARTICLE 3: GENERAL LOAN PROVISIONS

(A) **AGREEMENT OF DEQ TO LOAN.** The DEQ agrees to loan the Borrower an amount not to exceed the Loan Amount, subject to the terms and conditions of this Loan Agreement, but solely from funds available to the DEQ under its State Revolving Fund program. The obligation of the DEQ to make the loan described in this agreement is subject to the availability of such funds, and the DEQ shall have no liability to the Borrower or any other party if such funds are not available, or are not available in amounts sufficient to fund the entire loan described herein.

(B) **AVAILABILITY OF FUNDS.** The DEQ represents that it has available to it, or expects that it can obtain within a reasonable period of time, the monies to make the loan contemplated by this Loan Agreement. If a grant is not received by the Department from the U.S. Environmental Protection Agency under CFDA 66.458, Capitalization Grants for State Revolving Funds, for the federal fiscal year 1998, the loan amount may be reduced to an amount not less than \$8,153,043.

(C) **TAX-EXEMPT STATUS.** The Borrower covenants to comply with all provisions of the Code which are required in order for interest on the Loan to be excluded from gross income under Section 103(a) of the Internal Revenue Code of 1986 as amended and any regulations or ruling issued thereunder.

(D) **SINGLE AUDIT ACT REQUIREMENTS.** The State Revolving Fund (SRF) is a loan program of the DEQ which operates under the regulations of the U.S. Environmental Protection Agency and receives capitalization grants through the Catalog of Federal Domestic Assistance (CFDA) No. 66.458: Capitalization Grants for State Revolving Funds. As such, the SRF program and its loan recipients are subject to the U.S. Office of Management and Budget Circular A-128, "Audits of State and Local Governments" implementing the Single Audit Act of 1984. Borrowers are subject to Circular A-128 to the extent that loan proceeds include federal capitalization grant funds. The DEQ will notify the Borrower of the sources of the loan funds after the completion of each fiscal year. The Borrower is responsible for compliance with A-128 audit procedures.

(E) **AGREEMENT OF BORROWER TO REPAY.** The Borrower agrees to repay all amounts owed on this loan as described in Section 1(J) on page 2. In any case, the Borrower agrees to repay all amounts owed on this loan within twenty years of the actual completion date of the Project.

(F) AUTHORIZATION.

(1) This Loan Agreement is given as evidence of a loan to the Borrower made by the DEQ pursuant to ORS Title 21 and ORS Chapters 190, 287, 288, and 468, as amended, and shall be subject to the present regulations of the DEQ and to its future regulations consistent with the express provisions hereof.

(2) The Borrower has authorized this agreement pursuant to ORS 468.439 by a resolution or ordinance, which was duly passed by the Borrower's governing body as described in Section 1(O) on page 3.

(G) TERMINATION OF LOAN AGREEMENT. Upon compliance by the Borrower with all of its obligations under this Loan Agreement, including payment in full of the Final Loan Amount, accrued interest and fees, this Loan Agreement will terminate and the DEQ shall take the steps necessary to release the DEQ's interest in any collateral given as security under this Loan Agreement.

(H) NOTICES. All notices, payments, statements, demands, costs, approvals, authorizations, offers, designations, requests or other communications under this Loan Agreement by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered by certified mail, return receipt requested, and, if to the Borrower, addressed to the location listed in Section 1(K) on page 2, "Borrower's Address," and if to the DEQ, addressed to:

State Revolving Fund Program
Water Quality Division
Department of Environmental Quality
811 S.W. Sixth Avenue
Portland, Oregon 97204-1390

or to such other addresses as the respective parties may from time to time designate.

(I) CONTRACT. This Loan Agreement shall constitute a contract between the Borrower and the DEQ which shall be binding on the parties thereto upon their being separately executed by the parties. This Loan Agreement including all related loan documents and instruments may not be amended, changed, modified, altered or terminated without the written consent of the parties.

(J) FURTHER INSTRUMENTS. The Borrower and the DEQ agree to execute and deliver any written instruments necessary to carry out any agreement, term, condition or assurance in this Loan Agreement whenever occasion shall arise and reasonable request for such instruments shall be made.

(K) ASSIGNMENT. The DEQ shall have the right to transfer the loan or assign this Loan Agreement at any time after its execution upon written approval of the Borrower. This Loan Agreement shall be assigned by the Borrower only with the written approval of the DEQ.

(L) LAWS GOVERNING. This agreement shall be construed and interpreted in accordance with the laws of the State of Oregon as the same from time to time exist.

(M) **JURISDICTION OF LITIGATION.** Any litigation brought under this Loan Agreement shall be conducted in the courts of the county designated by the DEQ or in the courts of Marion County.

(N) **VALIDITY AND SEVERABILITY.** If any part, term, or provision of this Loan Agreement, or of any other loan document, shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by either party, the validity of the remaining portions or provisions shall not be affected, and all such remaining portions or provisions shall remain in full force and effect.

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

(P) **APPENDICES.** The appendices attached to this Loan Agreement are a part of it.

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

ARTICLE 4: TERMS, CONSIDERATIONS, AND PROCEDURES

(A) **OPINION OF LEGAL COUNSEL.** The DEQ shall not be obligated to disburse any funds to the Borrower hereunder unless and until the Borrower has provided the DEQ with an opinion of the legal counsel to the Borrower, in form and substance satisfactory to the DEQ, to the effect that:

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

(2) This Loan Agreement has been duly executed, acknowledged where necessary by the Borrower's authorized representatives and, to the best knowledge of such counsel, all other necessary actions have been taken, so that this Loan Agreement is valid, binding, and enforceable upon Borrower in accordance with its terms, except as such enforcement is affected by bankruptcy, insolvency, moratorium, or other laws affecting creditor's rights generally; and

(3) To such counsel's knowledge, this Loan Agreement does not violate any other agreement, statute, court order, or law to which Borrower is a party or by which it is bound.

(4) Interest on the SRF loan is **excluded** from gross income under Section 103(a) of the Internal Revenue Code of 1986 as amended and any regulations or ruling issued thereunder.

(5) Revenues used as security for the loan will **not** constitute taxes which are limited by Section 11b, Article XI of the Oregon Constitution.

(B) BORROWER'S FINANCIAL RECORDS.

(1) The Borrower shall maintain appropriate and complete financial accounts for this Project, for this debt service fund, and for the loan repayment funding source at all times during the term of this Loan Agreement consistent with Generally Accepted Government Accounting Standards, Generally Accepted Accounting Principles, and State Minimum Standards for Audits of Municipal Corporations. Separate accounting will be performed for the Facility producing the gross sewer revenues and for the Project.

(2) The Borrower shall retain files and records relating to the Project and this Loan Agreement for at least three (3) years after the project has been completed **and** all amounts due under this Loan Agreement are fully repaid.

(3) Audit. Federal enabling legislation and rules require an audit of each SRF loan. DEQ agrees to accept the following as adequate to meet this requirement.

(a) A full and complete accounting of Project costs incurred including documentation to support each cost element with a summary of the total costs of the Project and the sources of funding submitted to the DEQ no more than six months following project completion; and

(b) A copy the Borrower's annual audit report provided by December 31st of each year until the loan is fully repaid.

(C) INSURANCE. At its own expense, the Borrower shall procure and maintain insurance coverage (including, but not limited to hazard, flood and general liability insurance) adequate to protect DEQ's interest, and in such amounts and against such risks as are usually insurable in connection with similar projects and as is usually carried by entities operating similar facilities. The Borrower shall maintain this insurance until all amounts due under this Loan Agreement are fully repaid, and shall provide evidence of such insurance to the DEQ. Self insurance pursuant to a recognized municipal program of self insurance shall be adequate to satisfy this requirement.

(D) SEWER RATE COVENANT.

(1) Sewer Rates to Cover Debt Service Payments. The Borrower covenants with the DEQ and any assignee of this Loan Agreement that the Borrower shall charge fees in connection with the operation of the sewer system which are adequate to generate Net Operating Revenues in each fiscal year equal to or greater than the debt service coverage factor given in Section 1(Q) on page 3 multiplied by the debt service payments due under this Loan Agreement in that fiscal year.

(2) Sewer Rate Adjustments. If, in any fiscal year, the Borrower fails to collect fees sufficient to meet the coverage requirements described in paragraph (D)(1) of this Article, the Borrower agrees to promptly adjust its fees to assure future compliance and to transfer funds to the Sewer Fund from other sources in an amount equal to the deficiency. Any transfers or deposits to the Sewer Fund shall be maintained in the Sewer Fund and be used only for purposes for which the Net Operating Revenues may be used. The adjustment of rates and the transfer of funds to cover a deficiency does **not** constitute the correction of the default created by the Borrower's failure to meet the coverage requirements.

(3) Financial Reporting Requirement. The Borrower shall provide the DEQ with a report which demonstrates the Borrower's compliance with the requirements of this section by December 31st of each year until the loan is repaid. If the audit report described in Section 4(B)(3)(b) on page 8 identifies the Net Operating Revenues and contains a calculation demonstrating whether the Borrower satisfied the requirements of subsection (1) of this section, the audit report described in Section 4(B)(3)(b) on page 8 shall satisfy the requirements of this subsection.

(E) LOAN RESERVE ACCOUNT.

(1) The Borrower covenants with the DEQ and any assignee of this Loan Agreement that the Borrower shall create a restricted Loan Reserve Account, which it shall hold in trust for the benefit of the DEQ and any assignee of this Loan Agreement. The Borrower covenants to use the funds in the Loan Reserve Account solely to pay amounts due hereunder until the loan, interest and fees have been fully repaid.

(2) The Borrower covenants that it shall deposit an amount equal to the Loan Reserve Requirement as described in Section 1(R) on page 3 into the Loan Reserve Account no later than the first day on which a disbursement is received hereunder.

(3) The Borrower covenants that if the balance in the Loan Reserve Account falls below the Loan Reserve Requirement, it will promptly deposit an amount sufficient to restore the balance from the first net revenues available after payment of the amounts due hereunder unless the deposit has been made previously from other money of the Borrower.

(F) DISBURSEMENT OF LOAN PROCEEDS.

(1) Bid Documents. The DEQ shall not be obligated to disburse any loan proceeds to the Borrower hereunder unless and until the Borrower has submitted a copy of the awarded contract and bid documents to the DEQ for the portion of the Project costs which will be funded with the disbursement.

(2) Documentation of Expenditures. The Borrower shall provide the DEQ with written evidence of materials and labor furnished to and performed upon the premises, receipts for the payment of the same, releases, satisfactions and other signed statements and forms as may be reasonably required by the DEQ.

(3) Adjustments and Corrections. The DEQ may at any time, review and audit requests for disbursement and make adjustments for, but not limited to, ineligible expenditures, mathematical errors, items not built or bought and unacceptable work. Nothing herein contained shall require the DEQ to pay any amounts for labor or materials unless satisfied that such claims are reasonable and that such labor and materials were actually expended and used in the completion of the Project. In addition, the DEQ shall not be required to disburse loan proceeds in any amount greater than the total estimated cost of the work completed at the time of the disbursement as determined by the DEQ.

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

(G) **INTEREST EXPENSE.** Interest will accrue at the rate specified in Section 1(G) on page 2 from the date that a disbursement is mailed or delivered to the Borrower, or deposited into an account of the Borrower. Interest will accrue without compounding using a 365/366 day year until the Final Loan Amount is determined. After the Final Loan Amount is determined and the final repayment schedule is prepared, interest on future scheduled payments will accrue on a 360 day year basis and compound semi-annually on the payment due dates. Scheduled payments will be applied to interest and principal according to the repayment schedule, rather than being applied based on the day the payment is received.

(H) **FEEs.**

(1) Loan Processing Fee. The Borrower agrees to pay a one-time loan processing fee of one and one-half percent (1.5%) of the Final Loan Amount. The loan processing fee shall be assessed after the Final Amount is determined and shall be due and payable as described in Section 1(H) on page 2.

(2) Loan Servicing Fee. The Borrower agrees to pay an annual loan servicing fee during the repayment period equal to one-half of one percent (0.5%) of the Outstanding Loan Amount. The loan servicing fee shall be assessed and payable as described in Section 1(I) on page 2. The loan servicing fee shall be calculated based upon the Outstanding Loan Amount **prior to** the posting of the payment due on that date.

(3) Late Payment Fee. The Borrower agrees to pay immediately upon demand of the DEQ, a late fee equal to five percent (5%) of any loan payment which is not received by the DEQ on or before the tenth day after such payment is due. This late fee shall also apply to any loan processing fee or loan servicing fee which is due on that loan payment due date.

(I) **LOAN REPAYMENT.**

(1) Final Loan Amount. After the final request for loan proceeds is submitted by the Borrower and disbursed by the DEQ, the Final Loan Amount will be determined. The Final Loan Amount is the sum of all disbursements made including any amounts

authorized by loan amendments. The Final Loan Amount less any principal payments received will be amortized over the balance of the repayment term specified under "Terms of Repayment" in Section 1(J) on page 2.

(2) Interim Payments. The Borrower agrees to make the first repayment on the loan as stated on the repayment schedule, but, in any case, no later than one year following the actual completion date of the Project. Semi-annual payments will continue to be due based upon a Preliminary or revised schedule until the Final Loan Amount is determined and the final repayment schedule is prepared. Any payments received during this period will be credited first to accrued interest as of the date due and then to loan principal.

(3) Repayment Schedule. A final repayment schedule will be calculated after the final disbursement is made and the Final Loan Amount is determined. This schedule will record any interim payments which have already been made. The remaining scheduled payments will amortize the Final Loan Amount less any principal payments received over the remaining number of years or payments specified under "Terms of Repayment" in Section 1(J) on page 2. Attached as Appendix A is a preliminary repayment schedule based on the estimated completion date and original Loan Amount.

(4) Crediting of Scheduled Payments. Scheduled payments will be applied first to fees due, if any, and then to interest according to the repayment schedule, and then to principal.

(5) Crediting of Unscheduled Payments. All unscheduled payments, including any prepayments and partial payments, will be applied first to fees due, if any, and then to interest computed using a 365/366 day year, and then to principal. After an unscheduled payment, the Outstanding Loan Amount will be reamortized at the same interest rate and payment amount to reduce the loan maturity. After a partial payment, the Outstanding Loan Amount will be reamortized at the same interest rate for the same number of payments to increase the loan payment amount.

(6) Final Payment. All outstanding loan principal, interest and fees will be due and payable no later than twenty years after the completion date.

(J) PREPAYMENT.

(1) Optional Prepayment. The Borrower may prepay any amounts owed on this loan without penalty on any business day upon 24 hours prior written notice.

(2) Mandatory Prepayment. The Borrower shall prepay all amounts owed on this loan upon receipt of notice that the DEQ has accelerated the loan in accordance with the default provisions of this Loan Agreement.

(3) Refinancing of Loan by Borrower. The Borrower warrants that if it refinances the portion of the Project financed by this loan, or obtains an additional grant or loan which is intended to finance the portion of the Project financed by this loan, it will prepay the portion of the Loan constituting a double benefit.

ARTICLE 5: GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

(A) REPRESENTATIONS AND WARRANTIES OF THE BORROWER.

(1) The Borrower hereby certifies, recites and declares that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Agreement have existed, have happened, and have been performed in due time, form and manner as required by law; and that the Loan Amount together with all obligations of the Borrower does not, and will not, exceed any limits prescribed by the Constitution and Statutes of the State of Oregon or the Borrower's authority.

(2) The Borrower warrants that it is a duly formed and existing municipal corporation of the State of Oregon and has full corporate and other power to enter into this Loan Agreement.

(3) The Borrower warrants that there is no material adverse information relating to the Project or the loan, known to the Borrower, which has not been disclosed to the DEQ.

(4) The Borrower warrants that no litigation exists or has been threatened which would cast doubt on the enforceability of the Borrower's obligations under this Loan Agreement.

(5) The Borrower warrants that this Loan Agreement does not create any unconstitutional indebtedness.

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

(7) The Borrower warrants that any necessary local, state, and federal licenses, permits, and other approvals and authorizations for completion of the Project have been or will be obtained before the Project begins, and their provisions shall be complied with during the term of this Loan Agreement.

(B) REPRESENTATIONS AND WARRANTIES OF THE DEQ. The DEQ represents and warrants that the Director or the Director's representative has power under ORS 468 and OAR, Chapter 340, Division 54, to enter into the transactions contemplated by this Loan Agreement and to carry out the Department's obligations thereunder. By proper action of the State, the Director

and the Director's representative have been duly authorized to execute and deliver this Loan Agreement and to make the loan as contemplated hereby.

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

(D) GENERAL COVENANTS OF THE BORROWER. The Borrower covenants with the DEQ that:

(1) The Borrower shall use the loan funds only for payment of or reimbursement of costs of the Project in accordance with this Loan Agreement.

(2) The Borrower is and will be the owner of the sewer system and the Project, and shall defend it against the claims and demands of all other persons at any time claiming the same or any interest therein.

(3) The Borrower shall not sell, transfer, or encumber the sewer system without the prior written approval of the DEQ, which approval shall not unreasonably be withheld. Upon sale of the sewer system or the Project, in whole or in part, to a private purchaser, this SRF loan shall be immediately due and payable in full.

(4) The Borrower shall undertake the Project, request disbursements under this Loan Agreement, and use the Loan Amount in full compliance with all applicable laws and rules of the State of Oregon, including ORS Chapter 468 and Oregon Administrative Rules Sections 340-54-005 to 340-54-080, as they may be amended from time to time, and all applicable laws and rules of the United States, including Title VI of the Clean Water Act as amended by the Water Quality Act of 1987, Public Law 100-4 and any subsequent amendments, and all applicable rules of the U.S. Environmental Protection Agency. Article 10 on page 19 lists many of the applicable federal laws and authorities ("Cross-Cutters").

(5) To the fullest extent permitted by law, the Borrower shall indemnify, save, defend and hold the DEQ harmless in any action, suit, or claim arising from the Borrower's failure to comply with any laws, requirements, permits and licenses relating to the Project or this Loan Agreement.

(6) The Borrower shall disburse monies from the loan proceeds solely for the costs of the Project.

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

(8) If the Loan Amount is not sufficient to pay for the costs of the Project in full, the Borrower shall pay at its own expense from its own funds and without any right of reimbursement from the DEQ all such costs of the Project in excess of the loan funds and additions thereto.

(9) The Borrower shall take no action which would adversely affect the eligibility of the Project as a State Revolving Fund Project, or cause a violation of any loan covenant herein.

(10) The Borrower shall keep the sewer system in good repair and working order at all times and operate the system in an efficient and economical manner.

(E) **PROJECT COVENANTS OF THE BORROWER.** The Borrower covenants with the DEQ that:

(1) **MBE, WBE and SBRA Affirmative Steps.** The Borrower shall promote a fair share award to Small Businesses in Rural Areas, Minority Business Enterprises, and Women's Business Enterprises on all contract and subcontracts awarded as a part of the Project.

(2) **Surety Bond.** Unless the DEQ provides a written waiver, the Borrower shall have all prime contractors execute and deliver a corporate surety bond acceptable to the DEQ for the faithful performance of the contract or subcontract and payment of all liens and lienable expenses in connection therewith in a sum equal to the contract or subcontract price.

(3) **Retainage.** The Borrower shall include a five percent (5%) retainage provision in all of the Borrower's contracts for purchases or completion of any part of the Project greater in cost than One Hundred Thousand (\$100,000) Dollars.

(4) **Change Orders.** The Borrower shall submit all change orders to the DEQ. The Borrower shall not use amounts loaned under this Loan Agreement to pay for costs of any change order which has not been approved, in writing, by the DEQ. This subsection shall not prevent the Borrower from approving a change prior to approval by DEQ, as long as the Borrower accepts the risk of paying for costs of the change if it is not approved by DEQ.

ARTICLE 6: REPRESENTATIONS, WARRANTIES AND COVENANTS RELATING TO CONSTRUCTION PROJECTS ONLY

(A) **COVENANTS.** The Borrower covenants with the DEQ that:

(1) **Inspections.** The Borrower shall provide inspections during the building of the Project as required by the DEQ to ensure that the Project complies with approved plans and specifications. These inspections shall be conducted by qualified inspectors under the direction of a registered civil, mechanical or electrical engineer, whichever is appropriate. The DEQ or its representatives may conduct interim building inspections to determine compliance with approved plans and specifications and with the Loan Agreement, as appropriate.

(2) Asbestos. The Borrower shall ensure that any removal of asbestos which may be part of this Project will be performed by parties trained and qualified for asbestos removal.

(3) Operation and Maintenance Manual. The Borrower shall submit a draft facility operation and maintenance manual before the project is fifty percent (50%) complete. The Borrower shall submit a facility operation and maintenance manual which meets DEQ approval before the Project is ninety percent (90%) complete.

(4) Project Performance Certification. Draft performance standards shall be submitted by the borrower before fifty percent (50%) project completion. Final standards shall be submitted and approved by DEQ before ninety percent (90%) project completion. The borrower shall notify the DEQ of the initiation of operation date within 30 days following the event. No later than 10.5 months after the initiation of operation, the borrower shall submit a performance evaluation report based on the approved performance evaluation criteria and standards. An affirmative or negative certification statement is required one year after the project's initiation of operation. If the project certification is negative, a corrective action plan shall be submitted to DEQ within two months of the certification to provide a basis for discussion and action to correct project deficiencies. The Project performance process is discussed in further detail in the "SRF Manual for Construction Projects."

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

(B) COSTS ALREADY INCURRED BY THE BORROWER.

(1) The Borrower represents that the amount of construction costs of the Project which have been incurred by the Borrower for the Project as of the date of this Loan Agreement do not exceed the amounts shown in Section 1(M) on page 2.

(2) The DEQ has relied upon Borrower's representation as to the amount of construction costs incurred prior to the date of this Loan Agreement. If that sum is within the U.S. Environmental Protection Agency's definition of "refinancing," the DEQ warrants that that amount is within the exception to the refinancing rule allowed by the EPA. As such, State Revolving Fund rules (40 CFR Part 35) allow disbursements to be made on a reimbursement basis.

(C) PLANS AND SPECIFICATIONS. The Borrower's plans, specifications and related documents for the Project will be reviewed and approved by the DEQ.

(D) PROJECT INITIATION OF OPERATIONS.

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

(2) If the Project is completed, or is completed except for minor items, and the Project is operable, but the Borrower has not sent its notice of initiation of operation, the DEQ may assign an initiation of operation date.

ARTICLE 7: RIGHTS OF DEQ; LIMITATIONS ON DEQ RESPONSIBILITIES

(A) **QUALITY OF MATERIALS.** The DEQ does not warrant or guarantee the quality of materials supplied to and which become a part of the Project, the quality of the workmanship performed upon the project, or the extent and stage of completion of the Project, and no such warranty or guarantee shall be implied by virtue of any inspection or disbursement made by the DEQ.

(B) **LIABILITY OF THE DEQ.** It is expressly understood and agreed that the DEQ will be under no liability of any kind or character whatsoever for payment of labor or materials or otherwise in connection with the completion of the Project or for the carrying out of contracts entered into by the Borrower with third parties for the completion of the Project. All costs of material, labor and construction, including indirect costs, shall be paid by the Borrower.

(C) **RIGHT OF ENTRY AND INSPECTION.** The Borrower will allow the DEQ or its agents or assignees the right to enter the premises during reasonable business hours upon reasonable notice to the Borrower to inspect the Project and for all other lawful purposes including the examining of books and records pertaining to the Project or this Loan Agreement and to make extracts and copies thereof.

(D) **DEQ NOT REQUIRED TO ACT.** Nothing contained in this Loan Agreement shall require the DEQ to incur any expense or to take any action hereunder, and it shall not be liable to the Borrower for any damages or claims arising out of action taken pursuant to this Loan Agreement.

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

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

(2) Nothing in this Loan Agreement affects the DEQ's right to take remedial action, including, but not limited to, administrative enforcement action and actions for breach of contract against a Borrower that fails to carry out its obligations under this Loan Agreement.

(F) NONLIABILITY OF STATE.

(1) The State and its officers, agents and employees shall not be liable to the Borrower, or to any other party whomsoever for any death, injury, damage, or loss that may result to any person or property by or from any cause whatsoever, arising out of the Project. The Borrower shall, and does hereby agree to the extent permitted by law and the Oregon Constitution, to indemnify, defend, save and hold the State, its officers, agents and employees harmless from and defend each of them against any and all claims, liens and judgments for death of, injury to, or loss by any person or damage to property whatsoever occurring in, on or about the premises of the Project or due to the existence or activities of the Project, and, to the extent permitted by law, any reasonable attorneys' fees and expense incurred in connection with litigation against the State challenging or questioning the validity of this Loan Agreement, the existence or activities of the Project or actions, contracts, permits, or licenses obtained, agreed to, or performed by the Borrower in connection therewith.

(2) Any findings by the Department concerning the Project and any inspections or analyses of the Project by the DEQ are for purposes of determining eligibility for the loan and disbursement of loan proceeds only and do not constitute an endorsement of the feasibility of the Project or its components or an assurance of any kind for any other purpose.

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

ARTICLE 8: DEFAULT AND REMEDIES

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

(1) The Borrower's failure to make any loan payment within thirty (30) days after the payment is scheduled to be made according to the repayment schedule;

(2) The Borrower's failure to comply in any material respect with any other covenant, condition, or agreement of the Borrower hereunder for a period of thirty (30) days after notice thereof from the DEQ;

(3) The DEQ reasonably determines that any representation or warranty made by the Borrower hereunder was untrue in any material respect as of the date it was made;

(4) The Borrower becomes insolvent or admits in writing an inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee or receiver for the Borrower or a substantial part of its property; or in the absence of

such application, consent, or acquiescence, a trustee or receiver is appointed for the Borrower or a substantial part of its property and is not discharged within sixty (60) days; or any bankruptcy, reorganization, debt arrangement or moratorium or any dissolution or liquidation proceeding, is instituted by or against the Borrower and, if instituted against the Borrower, is consented to or acquiesced in by the Borrower or is not dismissed within ninety (90) days; or

(5) The DEQ reasonably determines that, as a result of any changes in the Constitution of the United States of America or the Oregon Constitution or as a result of any legislative, judicial, or administrative action, any part of this Loan Agreement shall have become void or unenforceable or impossible to perform in accordance with the intention and purposes of the parties hereto, or shall have been declared unlawful.

(B) **REMEDIES.** If the DEQ determines that an Event of Default has occurred, the DEQ may:

(1) Declare the Outstanding Loan Amount plus any unpaid accrued interest and fees immediately due and payable;

(2) Cease making disbursement of loan proceeds, or make some disbursements of loan proceeds and withhold or refuse to make other disbursements;

(3) Appoint a receiver at the expense of the Borrower to operate the Facility and collect the gross revenues;

(4) Pay, compromise or settle any liens on the premises or the Project or pay other sums required to be paid by the Borrower in connection with the Project, at the DEQ's discretion, using the loan proceeds and such additional money as may be required. In the event of payment by the DEQ, or any payment out of the loan proceeds secured hereby, of any encumbrance, lien, claim, or demand, the DEQ may, at its option, be subrogated to the extent of the amount of such payment to all the rights, powers, privileges, and remedies of the payor or payee, as the case may be, and any such subrogation rights shall be additional cumulative security for this Loan Agreement;

(5) Direct the State Treasurer to withhold any amounts otherwise due to the Borrower from the State of Oregon and, to the extent permitted by Law, direct that such funds be applied to the amounts due to the DEQ under this Loan Agreement and be deposited into the State Revolving Fund;

(6) Compel the specific performance of any term, covenant, or condition of this Loan Agreement; and

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

(C) **ATTORNEYS' FEES AND EXPENSES.** In the event the Borrower shall default under any of the provisions of this Loan Agreement and the DEQ shall employ attorneys or incur other expenses for the DEQ's successful enforcement of or the performance or observance of any

obligation or agreement on the part of the Borrower contained therein, the Borrower agrees that it will, upon demand thereof, pay to the order of the DEQ the reasonable fee of such attorneys and other expenses incurred by the DEQ.

ARTICLE 9: SRF PROCEDURES MANUAL

The Oregon Administrative Rule references the State Revolving Fund Procedures Manual for requirements and guidance on many aspects of Section 212 publicly-owned treatment works projects. This document lists many of the requirements for meeting DEQ plan review and approval standards, as well as SRF loan conditions. While some of the document is guidance rather than requirement, this guidance is written with the intent of assisting the Borrower with important issues, and borrowers are strongly encouraged to consider and follow the guidance when applicable. The SRF Manual for Construction Projects provides additional information on many of the project requirements and guidance.

ARTICLE 10: APPLICABLE FEDERAL AUTHORITIES AND LAWS ("CROSS-CUTTERS")

(A) ENVIRONMENTAL LEGISLATION:

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

(B) ECONOMIC LEGISLATION:

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

(C) SOCIAL LEGISLATION:

Age Discrimination Act, PL 94-135.
Civil Rights Act of 1964, PL 88-352, as amended, 42 U.S.C. 2000d et seq.

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

Executive Order 11246, Equal Employment Opportunity.

Executive Order 11625 and 12138, Women's and Minority Business Enterprise.

Section 504 of the Rehabilitation Act of 1973, PL 93-112 (including Executive Orders 11914 and 11250), as amended, 29 U.S.C. 794.

(D) MISCELLANEOUS AUTHORITY:

Uniform Relocation and Real Property Acquisition Policies Act of 1970, PL 92-646.

Executive Order 12549 and 40 CFR Part 32, Debarment and Suspension.

Disclosure of Lobbying Activities, Section 1352, Title 31, U.S. Code.

ARTICLE 11: LOAN EXECUTION

This loan agreement is executed between the **STATE OF OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY** (the "DEQ") and the **CITY OF BROOKINGS** (the "Borrower") effective as of the date indicated in Section 1(E) on page 2.

BORROWER: CITY OF BROOKINGS

Authorized Officer
Typed Name: _____
Title: _____

Date

STATE OF OREGON,)
)
County of)

This instrument was acknowledged before me on _____,
by _____ as the _____ of the City of Brookings.
Name Title

Notary Public for Oregon
My commission expires: _____

DEQ: STATE OF OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY

Authorized Officer
Typed Name: Langdon Marsh
Title: Director

Date

APPENDIX A: PRELIMINARY REPAYMENT SCHEDULE

| | | | |
|---------------|-------------------|-----------------------|--------------|
| BORROWER: | CITY OF BROOKINGS | ANNUAL INTEREST RATE: | 3.69% |
| SRF LOAN NO.: | R18230 | TERM IN YEARS: | 20 |
| LOAN AMOUNT: | \$ 13,100,000.00 | PAYMENT AMOUNT: | \$474,074.49 |

| Due Date | Pmt# | Principal | Interest | Fees | Total | Principal Balance |
|----------|------|------------------|-----------------|---------------|------------------|-------------------|
| | | | | | | \$ 13,100,000.00 |
| 11/1/01 | 1 | 0.00 | 483,390.00 | 196,500.00 | 679,890.00 | 13,100,000.00 |
| 5/1/02 | 2 | 232,379.49 | 241,695.00 | 65,500.00 | 539,574.49 | 12,867,620.51 |
| 11/1/02 | 3 | 236,666.89 | 237,407.60 | 0.00 | 474,074.49 | 12,630,953.62 |
| 5/1/03 | 4 | 241,033.40 | 233,041.09 | 63,154.77 | 537,229.26 | 12,389,920.22 |
| 11/1/03 | 5 | 245,480.46 | 228,594.03 | 0.00 | 474,074.49 | 12,144,439.76 |
| 5/1/04 | 6 | 250,009.58 | 224,064.91 | 60,722.20 | 534,796.69 | 11,894,430.18 |
| 11/1/04 | 7 | 254,622.25 | 219,452.24 | 0.00 | 474,074.49 | 11,639,807.93 |
| 5/1/05 | 8 | 259,320.03 | 214,754.46 | 58,199.04 | 532,273.53 | 11,380,487.90 |
| 11/1/05 | 9 | 264,104.49 | 209,970.00 | 0.00 | 474,074.49 | 11,116,383.41 |
| 5/1/06 | 10 | 268,977.22 | 205,097.27 | 55,581.92 | 529,656.41 | 10,847,406.19 |
| 11/1/06 | 11 | 273,939.85 | 200,134.64 | 0.00 | 474,074.49 | 10,573,466.34 |
| 5/1/07 | 12 | 278,994.04 | 195,080.45 | 52,867.33 | 526,941.82 | 10,294,472.30 |
| 11/1/07 | 13 | 284,141.48 | 189,933.01 | 0.00 | 474,074.49 | 10,010,330.82 |
| 5/1/08 | 14 | 289,383.89 | 184,690.60 | 50,051.65 | 524,126.14 | 9,720,946.93 |
| 11/1/08 | 15 | 294,723.02 | 179,351.47 | 0.00 | 474,074.49 | 9,426,223.91 |
| 5/1/09 | 16 | 300,160.66 | 173,913.83 | 47,131.12 | 521,205.61 | 9,126,063.25 |
| 11/1/09 | 17 | 305,698.62 | 168,375.87 | 0.00 | 474,074.49 | 8,820,364.63 |
| 5/1/10 | 18 | 311,338.76 | 162,735.73 | 44,101.82 | 518,176.31 | 8,509,025.87 |
| 11/1/10 | 19 | 317,082.96 | 156,991.53 | 0.00 | 474,074.49 | 8,191,942.91 |
| 5/1/11 | 20 | 322,933.14 | 151,141.35 | 40,959.71 | 515,034.20 | 7,869,009.77 |
| 11/1/11 | 21 | 328,891.26 | 145,183.23 | 0.00 | 474,074.49 | 7,540,118.51 |
| 5/1/12 | 22 | 334,959.30 | 139,115.19 | 37,700.59 | 511,775.08 | 7,205,159.21 |
| 11/1/12 | 23 | 341,139.30 | 132,935.19 | 0.00 | 474,074.49 | 6,864,019.91 |
| 5/1/13 | 24 | 347,433.32 | 126,641.17 | 34,320.10 | 508,394.59 | 6,516,586.59 |
| 11/1/13 | 25 | 353,843.47 | 120,231.02 | 0.00 | 474,074.49 | 6,162,743.12 |
| 5/1/14 | 26 | 360,371.88 | 113,702.61 | 30,813.72 | 504,888.21 | 5,802,371.24 |
| 11/1/14 | 27 | 367,020.74 | 107,053.75 | 0.00 | 474,074.49 | 5,435,350.50 |
| 5/1/15 | 28 | 373,792.27 | 100,282.22 | 27,176.75 | 501,251.24 | 5,061,558.23 |
| 11/1/15 | 29 | 380,688.74 | 93,385.75 | 0.00 | 474,074.49 | 4,680,869.49 |
| 5/1/16 | 30 | 387,712.45 | 86,362.04 | 23,404.35 | 497,478.84 | 4,293,157.04 |
| 11/1/16 | 31 | 394,865.74 | 79,208.75 | 0.00 | 474,074.49 | 3,898,291.30 |
| 5/1/17 | 32 | 402,151.02 | 71,923.47 | 19,491.46 | 493,565.95 | 3,496,140.28 |
| 11/1/17 | 33 | 409,570.70 | 64,503.79 | 0.00 | 474,074.49 | 3,086,569.58 |
| 5/1/18 | 34 | 417,127.28 | 56,947.21 | 15,432.85 | 489,507.34 | 2,669,442.30 |
| 11/1/18 | 35 | 424,823.28 | 49,251.21 | 0.00 | 474,074.49 | 2,244,619.02 |
| 5/1/19 | 36 | 432,661.27 | 41,413.22 | 11,223.10 | 485,297.59 | 1,811,957.75 |
| 11/1/19 | 37 | 440,643.87 | 33,430.62 | 0.00 | 474,074.49 | 1,371,313.88 |
| 5/1/20 | 38 | 448,773.75 | 25,300.74 | 6,856.57 | 480,931.06 | 922,540.13 |
| 11/1/20 | 39 | 457,053.62 | 17,020.87 | 0.00 | 474,074.49 | 465,486.51 |
| 5/1/21 | 40 | 465,486.51 | 8,588.23 | 2,327.43 | 476,402.17 | (0.00) |
| TOTALS | | \$ 13,100,000.00 | \$ 5,872,295.36 | \$ 943,516.48 | \$ 19,915,811.84 | |

REQUIRED LOAN RESERVE: \$ 948,615

Schedule assumes project completion 5/1/01, with funds disbursed evenly between 5/1/99 and 5/1/01.

APPENDIX B: RESOLUTION

[Attach copy of the Resolution approving the loan]

Memorandum

TO: Mayor, City Council
FROM: Tom Weldon, City Manager *Tom*
DATE: September 17, 1997



Background:

We have budgeted \$20,000 to refurbish the outside of City Hall. Refurbishing the outside includes replacing deteriorated wood, primarily the fascia, and painting the entire building, except the Fire Hall's new doors. I have waited probably too long to get it painted this year, but I would like to go to bid now with the job to be done before June 30th.

The paint scheme is nautical light grey (Fire Hall doors grey) with dark green and blue trim.

Recommendation:

Authorize calling for bids.

-eom-

September 18, 1997

Brookings Park and Recreation Commission
898 Elk Drive
Brookings, Oregon 97415

RE: KidTown Playground

Dear Commissioners:

I come before you requesting that the City of Brookings take over the care and maintenance of KidTown Playground. I am one of the original organizers of this wonderful community project which started to come to life in October of 1992. After our committee successfully worked together with our community to complete this assets to our city, I continued to serve on the Friends of KidTown Playground board for an additional one year. After a total of three years on this project, I and three other original committee members turned over the non-profit organization to a new group of community volunteers. During that year, there were members who moved and others with prior commitments which enabled the committee to meet its duties.

I was informed of this matter and had to step in to see that KidTown did not go without care. Working full time now, I am finding it more difficult to find help with the minor repairs and walk throughs needed for the upkeep of KidTown.

Besides the bi-monthly walk throughs, quarterly clean-ups and minor repairs, the playground requires a yearly re-sealing of the entire structure. This takes approximately two (2) days. Day one for prep work, i.e.; cleaning the cob webs, dust, dirt etc. from the structure and any repairs needed completed. The second day for sealing. Most of the structure can be sprayed with an electric sprayer, though some areas do have to be sealed by hand using foam brushes and rags. The last time the playground was sealed, we had only seven (7) people for the entire weekend.

This does cost money to maintain and we do have a maintenance fund of \$3,096.00 which will be turned over to the city for the sole purpose of maintaining KidTown. We have already ordered the sealant for this years sealing from the company in Berkeley, Ca. and a balance of \$810.00 remains to be paid from the fund.

After walking through the playground two weeks ago, I noticed several items which had to be repaired and some which need to be replaced. My husband and I made the necessary repairs, but items still need to be ordered for replacement of parts.

1. a new latch for the toddler swing.
2. a new ring for the toddler three ring climber.
3. a new movable step needs to be built with our wood.

I also noticed the wood fiber, the playground surface, is in need of refilling in some areas. This is a costly item in the playground. This is a special wood chip which meets ADA(American Disability Act) regulations. It compresses to allow easy movement of a wheelchair over the surface. The top 6" of the 10,000sq. ft. surface is the wood fiber. During construction, we located this product from Yuba City, Ca. at a cost of \$8,770.00 with freight charges added into that total. I understand we may be able to locate a distributor in Mt. Hood or Washington area, possibly at a lower rate. Perhaps we may not need the full 6", only 3". This would need to be looked at and measured to determine exactly how much to order.

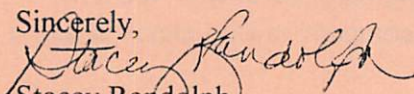
I understand there are some outstanding picket orders which were paid for and never completed last year. My husband has graciously volunteered to complete those orders. We will take care of this by the re-sealing date so that they may also be sealed with the rest of the playground.

Friends of KidTown also possess their own tools. We have a Makita router and cordless drill. This would also be given to the city to use for the maintenance of the playground.

We have tried to encourage community involvement throughout the years after construction, but unfortunately the turn out for help has been minimal. With the City so involved with the Azalea Park Foundation and the beautification of the park, we hope they look upon this as part of the whole picture and help to maintain the integrity of the playground.

I don't wish to take up so much time, there is a great deal of information I can give you if you so request. There is a maintenance handbook that the company, Robert Leathers gave us when the project was completed. This is pretty self explanatory, but should you or the city have any questions please feel free to contact me. Again, I wish the community involvement had remained as active as it did during the fundraising and construction of the playground. That was my outlook for this project, to bring the community together and to share in the pleasure of watching the children play in a safe environment. But to also take pride by helping keep it a safe place for our children to play.

I hope that you will support me in this request and encourage the city to support it as well. Thank you for your time this evening.

Sincerely,

Stacey Randolph

Memorandum

TO: Mayor, City Council

FROM: Leo Lightle, Community Development Director

THROUGH: Tom Weldon, City Manager

DATE: September 17, 1997



Issue: Ransom Street Storm Drainage Improvements

Synopsis:

Staff was requested to put together two proposals. The City Council offered to do the storm drainage portion of this project, therefore staff concentrated on the storm drainage only aspect of this project. This project was initially to be done in conjunction with work to be done by John Zia. Staff therefore put together two proposals.

Proposal A (attached) requires major fill work and slope work. This is more work than Mr. Zia is willing to do on street construction. The cost of the full storm drainage project is \$68,900.

Proposal B (attached) is a scaled down project to address current storm drainage work to take care of the drainage problem as it now exists. Proposal B cost is \$45,890.

Recommendation:

Staff withholds a final recommendation until after the work study session when the City Council can give some direction as to proposals they would like finalized to come before the Council meeting on September 22, 1997. Staff currently feels the city should pursue Proposal B with some option to address the safety issues.

Background:

The Council previously discussed this issue and staff met with the developer, John Zia to work out details as to how to proceed and to find out what Mr. Zia was willing to do at this time. Staff presented Mr. Zia's proposal at the last City Council meeting.

Staff was directed to put together a proposal of what the cost would be to do a full scale storm drainage project as first proposed by HGE, Inc. in the early 90s with the new alignment. This project would require large fill areas, slope easements and street construction. This cannot be constructed with John Zia's proposal. We would have to have additional cost to place fill and build a street. The street construction cost would not be a part of this estimate. The cost of doing this project (Proposal A) without the street work would be \$68,900 as per attachment Exhibit A.

Staff was also directed to put together a scaled down plan that would take care of the drainage only but in such a manner that the work would be compatible with the final design and construction. The cost of this storm drainage project would be \$45,890. This would be Proposal B as per attachment Exhibit B.

EXHIBIT "A"
Proposal "A"

CITY OF BROOKINGS

RANSOM STORM DRAIN IMPROVEMENTS (WITH CATCH BASINS)

West of 6th Street

Preliminary Estimate

Project #3715

Sept. 10, 1997

| Item No. | Description of Work | Quantity | Unit | Unit Price | Total Price |
|----------|---|----------|------|------------|--------------------|
| 1 | Mobilization | | LS | \$2,483.00 | \$2,483.00 |
| 2 | Clearing and grubbing | | LS | \$1,500.00 | \$1,500.00 |
| 3 | Removal of structures and obstructions | | LS | \$2,000.00 | \$2,000.00 |
| 4 | Trench excavation, pipe bedding/ zone and class I backfill | 119 | LF | \$28.00 | \$3,332.00 |
| 5 | Trench excavation, pipe bedding/zone and class III backfill | 165 | LF | \$38.00 | \$6,270.00 |
| 6 | Rock excavation | 10 | CY | \$100.00 | \$1,000.00 |
| 7 | Foundation stabilization | 60 | CY | \$16.00 | \$960.00 |
| 8 | 30" storm drain pipe | 149 | LF | \$45.00 | \$6,705.00 |
| 9 | 24" storm drain pipe | 135 | LF | \$40.00 | \$5,400.00 |
| 10 | 12" catch basin lateral | 85 | LF | \$20.00 | \$1,700.00 |
| 11 | 6' diameter standard manholes | 2 | EA | \$6,000.00 | \$12,000.00 |
| 12 | 4' diameter standard manhole | 1 | EA | \$2,000.00 | \$2,000.00 |
| 13 | Catch basins | 3 | EA | \$800.00 | \$2,400.00 |
| 14 | Riprap aprons | 60 | CY | \$75.00 | \$4,500.00 |
| 15 | Compaction tests | 3 | EA | \$250.00 | \$750.00 |
| | Estimated construction cost | | | | \$53,000.00 |
| | Engineering legal and contingencies | | | | \$15,900.00 |
| | Total estimated cost | | | | \$68,900.00 |

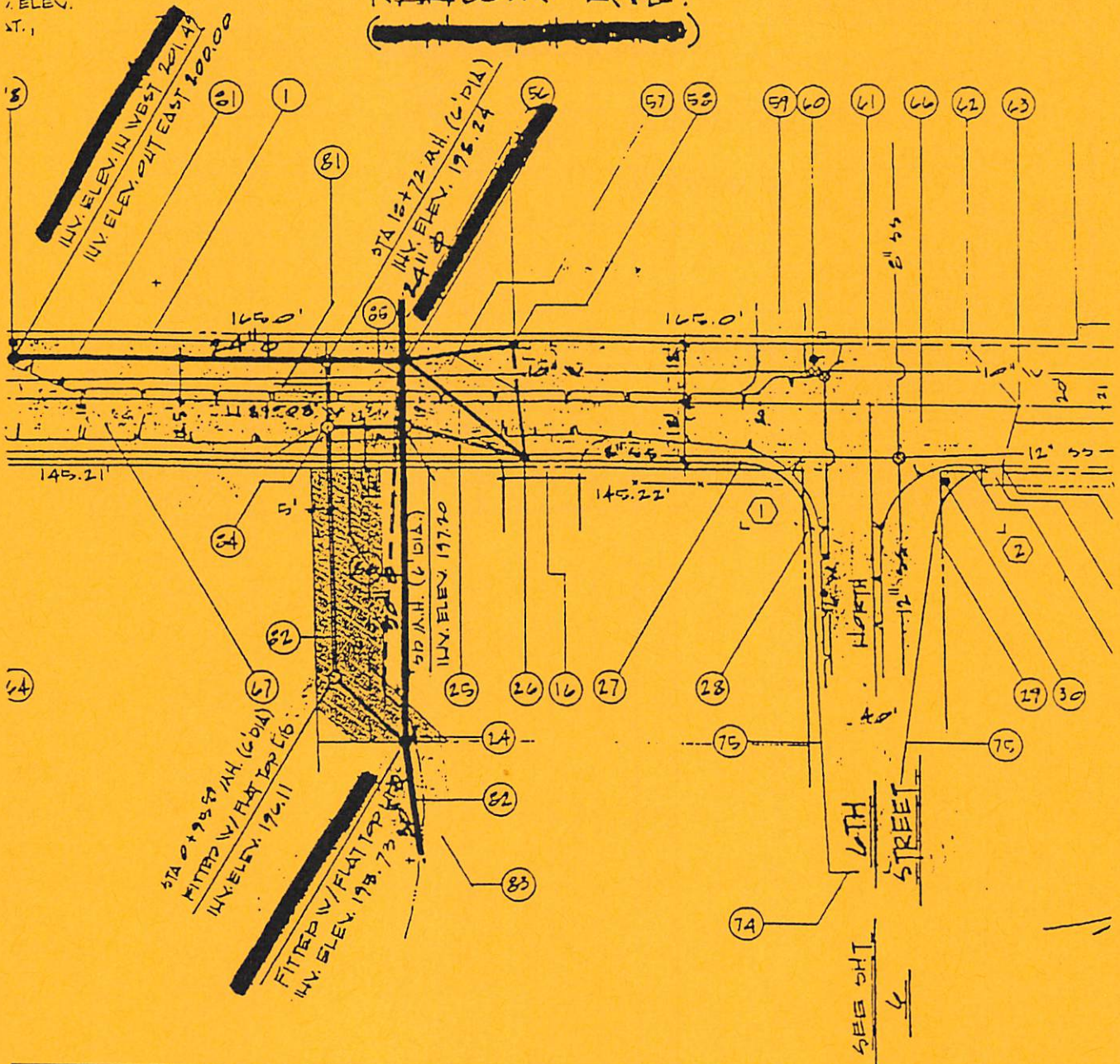


EXHIBIT "B"
Proposal "B"

CITY OF BROOKINGS
RANDSOM STORM DRAIN IMPROVEMENTS (CREEK ONLY)
West of 6th Street
Preliminary Estimate

Project #3715
Sept. 10, 1997

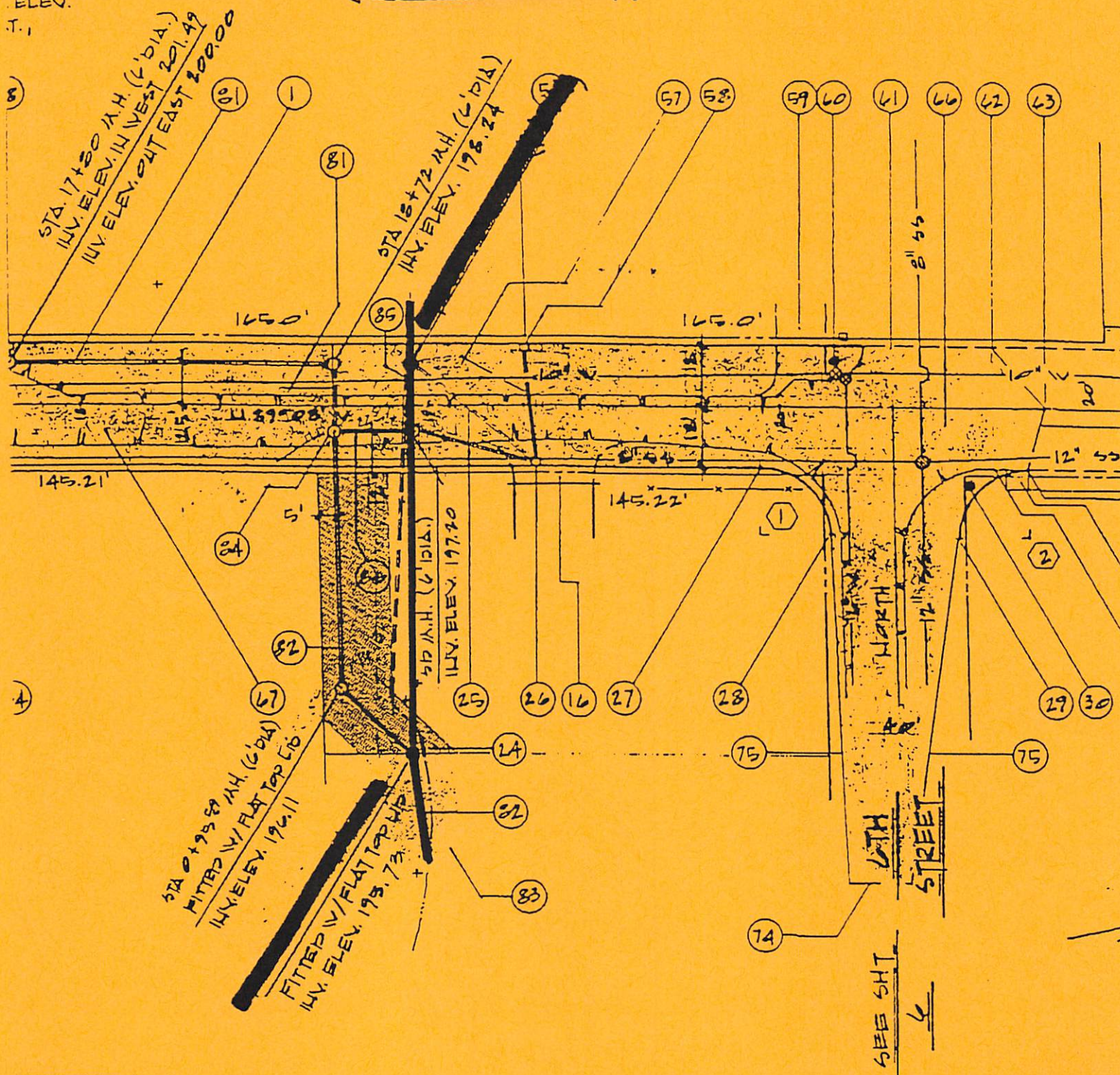
| Item No. | Description of Work | Quantity | Unit | Unit Price | Total Price |
|----------|---|----------|------|------------|--------------------|
| 1 | Mobilization | | LS | \$1,673.00 | \$1,673.00 |
| 2 | Clearing and grubbing | | LS | \$1,000.00 | \$1,000.00 |
| 3 | Removal of structures and obstructions | | LS | \$1,000.00 | \$1,000.00 |
| 4 | Trench excavation, pipe bedding/ zone and class I backfill | 119 | LF | \$28.00 | \$3,332.00 |
| 5 | Trench excavation, pipe bedding/zone and class III backfill | 50 | LF | \$38.00 | \$1,900.00 |
| 6 | Rock excavation | 10 | CY | \$100.00 | \$1,000.00 |
| 7 | Foundation stabilization | 40 | CY | \$16.00 | \$640.00 |
| 8 | 30" storm drain pipe | 149 | LF | \$45.00 | \$6,705.00 |
| 9 | 24" storm drain pipe | 20 | LF | \$40.00 | \$800.00 |
| 10 | 6' diameter standard manholes | 2 | EA | \$6,000.00 | \$12,000.00 |
| 11 | Riprap aprons | 60 | CY | \$75.00 | \$4,500.00 |
| 12 | Compaction tests | 3 | EA | \$250.00 | \$750.00 |
| | Estimated construction cost | | | | \$35,300.00 |
| | Engineering legal and contingencies | | | | \$10,590.00 |
| | Total estimated cost | | | | \$45,890.00 |

EXHIBIT "B"
Proposal "B"

$L = 31.72'$
 $\Delta = 91^\circ 26' 39''$
 $R = 20.00'$
 $T = 20.51'$
 $L = 31.92'$
 $\Delta = 85^\circ 29' 12''$
 $R = 20.00'$
 $T = 19.45'$
 $L = 30.89'$

R&H SOIR AVE
([REDACTED])

ELEV.
T.



Memorandum

TO: Mayor, City Council

FROM: John Bischoff, Planning Director

THROUGH: Tom Weldon, City Manager

DATE: September 12, 1997



Issue: The Bridge Street vacation.

Synopsis: It has been determined that the state would regain ownership of the land under the Bridge Street right-of-way if the city should vacate the right-of-way.

Recommendation: Adopt the ordinance vacating the subject portion of the right-of-way and approve the attached quit claim deed to transfer the land back to the state.

Rationale: As indicated in my last memo on this subject I stated that I was working to determine how the city obtained the Bridge St. right-of-way from the State Department of Transportation. I have now received copies of the deeds showing that the state had purchased the land in fee and therefore owns the land under the right-of-way. I have also obtained a copy of a "relinquishment of title" that grants old highway right-of-way to the city. This document grants the state's right, title and interest to the City of Brookings "...only so long as used for public road purposes". If the city vacates all or any portion of the right-of-way, the vacated area would revert back to state ownership. The applicant must then approach the state to acquire the land.

In discussion with ODOT staff, I have learned that we can vacate a portion of the right-of-way and give a copy of the ordinance vacating the right-of-way to the County Assessor's Office. This is the normal routine in a vacation except that in this case a copy of the state's deed to the city would be attached to show that the land goes back to the state and not the adjacent land owner. The city would also present the state with a quitclaim deed to give the land back to the state (the deed provides a clear title transfer).

The applicant will be kept informed of this action and the fact that he must acquire the land from the state.

Attached is a copy of the ordinance vacating the street for adoption and a copy of the quit claim deed for your review.

Options/Alternatives: Listed Below are the options we have reviewed and do not recommend.

1. Take no action and leave the right-of-way as it is.
2. Purchase the land from the state, vacate the right-of-way and offer the land for sale.

CITY OF BROOKINGS
COUNCIL MEETING MINUTES
Brookings City Hall Council Chambers
898 Elk Drive, Brookings, Oregon
September 8, 1997
7:00 p.m.

I. CALL TO ORDER

Mayor Brendlinger called the meeting to order at 7:03 p.m.

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

Council Present: Mayor Nancy Brendlinger, Councilors Larry Curry, Julie Cartwright, Bob Hagbom

Council Absent: Dave Ham

Staff Present: City Manager Tom Weldon, City Attorney Martin Stone, Police Chief Jack McDonald, Accounting Clerk Denise Bottoms

Media Present: Martin Kelly, KCRE; Chuck Hayward, Curry Coastal Pilot; Jerry Teague, Curry Coastal Pilot

IV. CEREMONIES/APPOINTMENTS/ANNOUNCEMENTS

Mayor Brendlinger proclaimed the month of September 1997 as "Clean up September" and presented the proclamation to Richard Gyuro of Community Pride Partnership. Richard updated the Council on clean up progress and commended Curry Transfer & Recycling for their contribution to this project. Curry Coastal Pilot was also thanked for their advertising clean up information at no cost.

V. PUBLIC HEARINGS

- A. An amendment to Resolution 399, establishing a Citizens Involvement Program was canceled until the Planning Commission is ready to make a recommendation to the Council.

VI. SCHEDULED PUBLIC APPEARANCES

- A. Elmo Williams of the Azalea Park Foundation explained the plan for the proposed gateway for Azalea Park entrance. At the next Parks & Recreation Commission meeting Elmo will have a modified plan to present and the Police Department will have an opportunity to give their recommendation regarding safety concerns with the proposed gateway project.

- B. Brookings Postmaster Robert Boicoff addressed the Council regarding parking solutions for the main office and Pelican Bay annex. The main concern of the Council was vehicles backing onto Railroad Avenue from the parking lot at Pelican Bay annex.

Councilor Hagbom moved, Councilor Cartwright seconded and the Council voted unanimously to request the Post Office have their employees park elsewhere than their back lot and pursue a lease for the property on the south side of the Pelican Bay annex for temporary parking.

- C. Pacific Coast Pacific Byway representative Curt Warber requested, by letter, that this item be removed from the agenda to be presented at a later date.

VII. ORAL REQUESTS AND COMMUNICATIONS FROM THE AUDIENCE

None

VIII. STAFF REPORTS

A. City Manager

1. Brookings-Harbor Youth Association request for insurance coverage through the city

Lorraine Kuhn, President of Brookings-Harbor Youth Association, thanked staff for looking into the possibility of insurance. As the memo from Finance Director/Recorder Bev Adams states, the City of Brookings is not able to provide liability or fire insurance for the youth center because the City does not have any insurable interest in the land, building or project. They are pursuing other means of insurance coverage at this time and Lorraine requested they be allowed to present it to the Council at their next meeting for further discussion.

B. Community Development

1. Evergreen Federal request for parking time limit

Nancy Phillips, manager of Evergreen Federal Savings & Loan, spoke of her concerns regarding safety when large motor homes park in front of the building and block visibility for patrol cars, etc. They are willing to pay for appropriate signs.

Councilor Hagbom moved, Councilor Curry seconded and the Council voted unanimously to authorize 1 hour only parking, between 6:00 am and 6:00 pm, in front of

Evergreen Federal and the other businesses along this street. The cost of signs and installation will be paid to the city by each business effected.

C. Police Department

1. Law Enforcement Management Information System

Police Chief Jack McDonald gave an update on the Law Enforcement Management Information System and asked that Councilors and City staff attend the Board of Commissioners meeting on September 15, 1997.

Councilor Hagbom moved, Councilor Curry seconded and the Council voted unanimously to accept staff recommendations as presented in the Chief's memo in the Council's packet for this meeting.

IX. CONSENT CALENDAR

A. Approval of Council Meeting Minutes

1. Minutes of August 25, 1997 Regular Council Meeting

B. Acceptance of Commission/Committee Minutes

1. Minutes of August 5, 1997 Regular Planning Commission Meeting

C. Approval of Vouchers (\$170,569.82)

(end Consent Calendar)

Councilor Hagbom moved, Councilor Curry seconded and the Council voted unanimously to approve the consent calendar.

X. ORDINANCES/RESOLUTIONS/FINAL ORDERS

None

XI. COMMITTEE & LIAISON REPORTS

A. Planning Commission - None

B. Parks & Recreation Commission - None

C. Brookings-Harbor Chamber of Commerce

Les Cohen reported on the Leadership training. They are still accepting applications for this through September 15th.

D. Councilors

Bob Hagbom attended a Watershed meeting.

Mayor Brendlinger attended 2 CFABB meetings, spoke to the Lions and appeared on Channel 49 in support of the sewer bond. She also attended the Scenic Byway Committee meeting.

XII. REMARKS FROM MAYOR AND COUNCILORS

A. Mayor

Mayor Brendlinger asked that Committee and Liaison Reports be moved up on the agenda so that the public will be more apt to participate since there is greater attendance earlier in the meeting. Tom will distribute copies of the Ordinance pertaining to meetings for Councilors for their review and comments.

The LOC Conference will be held in Eugene on November 7-9, 1997 which might interfere with the November 10th Council meeting. The Council may need to either cancel or reschedule this meeting and will decide what action will be taken at a later date.

US Department of Interior Fish & Wildlife Service is requesting comments on nesting sites of the Western Snowy Plover on beaches in our area. Comments will be accepted until September 12, 1997.

B. Council

Larry Curry asked for clarifications on the letter addressed to the Mayor from Richard Woodel requesting notice of meetings having to do with drainage. City Attorney Martin Stone advised the Council that it is our obligation to provide this information to any individual who requests it.

XIII. ADJOURNMENT

Councilor Hagbom moved, Councilor Curry seconded and the council voted unanimously to adjourn at 8:10 pm.

ATTEST:

Nancy Brendlinger
Mayor

Beverly Adams
Finance Director/Recorder

PARKS AND RECREATION COMMISSION
MINUTES, August 28, 1997

Roll Call: Present: Rogers, Prevanus, Abbott, Higginson, Mickelson, Thom and City Manager, Weldon. Excused: Ciapusci and Lent.

Prior minutes: approved as corrected.

Azalea Park Foundation: Elmo Williams presented a concept for an entrance gate to Azalea park, with drawings. An application will be prepared for presentation to the City Council.

Motion to approve: Prevanus, second, Mickelson: Passed with one abstention.

Brookings-Harbor Youth Association: Lorraine Kuhn and Heather Wackler reported that their board of directors will be meeting September 8th at the library. Their Board of Directors has been established and a youth council is currently being formed. A report was also given about the status of the organization and are currently in the process of obtaining insurance.

Stout Park A written report was submitted by commissioner Lent which included notice of work parties being set for Sept. 2, 3, 4 & 5 from 11am to 1pm.. As soon as the culvert is in place, the street will be closed and paving will start.

Chetco Point Meeting will be held at Chetco Point on Sunday, Sept. 7, 10 am.

Azalea Park Natures Coastal Christmas: Keith Pepper reported that they will be operating under the Azalea Foundations organization and have started with their fund raising efforts. Final plans for the event will be presented at the next commission meeting.

Boat Park: The paint on the boat has been tested and approved, plans are moving ahead to place the boat in the park area sometime in September.

SDC Funds: Workshop is tentatively planned for Thursday, Sept. 11 at 7pm.

Softball Fields: Requested that the Softball Assoc. be represented at the next commission meeting on Sept. 18.

Adjournment: Motion, Abbott, Second, Higginson, Passed

ORDINANCE NO. 97-O-524

AN ORDINANCE VACATING A 0.94 ACRE PORTION OF THE BRIDGE STREET RIGHT-OF-WAY LOCATED ON THE SOUTH SIDE OF BRIDGE STREET.

Sections:

- Section 1. Findings and determination.
- Section 2. Vacation.
- Section 3. Certification of ordinance.

The City of Brookings ordains as follows:

Section 1. Findings and determination. The Council of the City of Brookings hereby finds it appropriate to consider vacation of the following described parcel of land:

0.94 acre portion of the Bridge Street right-of-way located on the south side of Bridge Street as described in Exhibit A.

That the Recorder of the City of Brookings gave due notice of public hearing to be held before the Council at the hour of 7:00 o'clock, May 12, 1997 in the Council Chambers in the City Hall in the City of Brookings, at which time any persons whomsoever having any objections or remonstrance to said parcel vacation or any part thereof, should file written objection or remonstrance with the City Recorder. That it appears to the satisfaction of the Council that the proposed vacation is in the best interests of the City. That the public interest will not be prejudiced by the vacation and that the vacation will not substantially affect the market value of abutting property.

Section 2. Vacation. The City of Brookings does hereby vacate a certain parcel of land described above.

Section 3. Certification of ordinance. The City Recorder is hereby instructed to forthwith record and file certified copies of this Ordinance with the County Clerk, County Assessor and County Surveyor of Curry County, Oregon.

First Reading: _____

Second Reading: _____

Passage: _____

Effective Date: _____

Signed by me in authentication of its passage this _____
day of _____

Nancy A. Brendlinger
Mayor

ATTEST:

Beverly S. Adams
City Recorder

**BEFORE THE COMMON COUNCIL
CITY OF BROOKINGS, COUNTY OF CURRY
STATE OF OREGON**

| | |
|---|------------------------|
| In the matter of Planning Commission File No.) | Final ORDER |
| VAC-1-97; application for approval of a right-of-way) | and Findings of |
| vacation Lloyd Bendickson and Dennis Sullivan,) | Fact |
| <u>applicant.</u>) | |

ORDER approving an application for a vacation of 0.94 acres of excess right-of-way located on the south side of Bridge St.; Adjacent to the north side of Assessor's Map 41-13-5CA, Tax Lot 6200; R-3 (Multiple-Family Residential).

WHEREAS:

1. The Planning Commission duly accepted the application filed in accordance with Section 152, Vacations, of the Land Development Code; and,
2. Such application is required to show evidence that all of the following criteria has been met:
 - A. Compliance with the comprehensive plan, circulation element or other applicable sections of the document.
 - B. If initiated by petition pursuant to ORS 271.080, the council shall make the determinations pursuant to ORS 271.120 based upon evidence provided by the petitioner(s) in the written findings.
 - C. If initiated upon a recommendation of the Planning Commission and/or by the City Council on its own motion pursuant to ORS 271.130, a determination shall be made that the vacation will not substantially affect the market value of all such abutting property to the area proposed to be vacated, unless the City Council proposes to provide for paying such damages.
3. The Brookings Planning Commission duly considered the above described application on the agenda of its regularly scheduled public hearing on April 1, 1997; and
4. Recommendations were presented by the Planning Director in the form of a written Staff Agenda Report dated March 25, 1997, and by oral presentation, and evidence and testimony was presented by the applicant and the public at the public hearing; and,
5. At the conclusion of said public hearing, after consideration and discussion of testimony and evidence presented in the public hearing, the Planning Commission, upon a motion duly seconded, accepted the Staff Agenda Report and recommended that the City Council approve the request, and

6. The Brookings City Council duly considered the above described application in a public hearing at a regularly scheduled public meeting held on May 12, 1997, and is a matter of record; and

7. At the conclusion of said public hearing, after consideration and discussion of testimony and evidence presented in the public hearing, the City Council, upon a motion duly seconded, accepted the Planning Commissions recommendation; and

THEREFORE, LET IT BE HEREBY ORDERED that the application for an vacation of the subject right-of-way is approved. This approval is supported by the following findings and conclusions:

FINDINGS

1. Pursuant to the provisions of Section 152, Vacations, of the Land Development Code, the applicant has filed a petition to vacate a 75 foot wide portion of the Bridge St. right-of-way the extends 691.11 feet along the northerly boundary of the applicant's property. The total area of the vacation is 0.94 acres.
2. The area to be vacated only abuts the applicant's property and the remaining portion of the Bridge St. right-of-way.
3. The proposed vacation does not involve the vacation of Bridge St. itself, just a portion of the right-of-way on the south side of the street.
4. The area to be vacated is located on a steep hillside that drops from the travel way onto the applicant's property.
5. The proposed vacation will leave at least 25 feet of remaining right-of-way along the south side of the existing 28 foot wide paved travel way.

CONCLUSIONS

1. The proposed vacation is over an area of excess right-of-way that in some places extends more than 100 feet beyond the southerly edge of the paved travel way of Bridge St. The area to be vacated is on a steep slope that drops from the existing road bed and thus cannot be used for any future improvement for Bridge St. The proposed vacation will leave at least 25 feet of right-of-way along the south side of the paved travel way which is sufficient to provide full standard street improvements for Bridge St. if required in the future.
2. The applicant has submitted the required number of notarized consent letters agreeing to the street vacation. Since the entire area to be vacated is located adjacent to the applicant's property, the proposed vacation will not impact any of the surrounding properties nor prevent any of them from having access.

3. The proposed vacation will not have an adverse affect on the goals or policies of the city's Comprehensive Plan.

Dated this **22nd** day of **SEPTEMBER**, 1997

Nancy A. Brendlinger, Mayor

ATTEST:

John C. Bischoff, Planning Director

After recording
return to:

State of Oregon
Department of Transportation -Right-of-Way Dept.
3500 NW Stewart Parkway
Roseburg OR 97470-1687

Consideration: No money consideration

Mail tax
statements to: Property not subject to taxation

QUITCLAIM DEED

CITY OF BROOKINGS, an Oregon municipal corporation, Grantor, releases and quitclaims to STATE OF OREGON, by and through its DEPARTMENT OF TRANSPORTATION, Grantee, all right, title and interest in the real property described on attached Exhibit "A" incorporated herein by this reference.

Grantor states that there is no consideration in terms of dollars and cents for this deed as the same is made following vacation of the real property by Grantor.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

DATED this ____ day of _____, 1997.

CITY OF BROOKINGS

By: _____
Nancy Brendlinger,
Mayor

STATE OF OREGON)
) ss.
County of Coos)

The foregoing instrument was acknowledged before me this ____ day of _____, 1997,
by Nancy Brendlinger, Mayor, City of Brookings

Notary Public for Oregon
My Commission Expires:

ATTEST:

Beverly Adams,
City Recorder

QUITCLAIM DEED

Exhibit "A"
Description of Proposed Area of Vacation
Bendickson/Sullivan Vacation Application
Tax Lot 6200

A parcel of land being part of the SW $\frac{1}{4}$ of Section 5, Township 41 South, Range 13 West, Willamette Meridian, City of Brookings, Curry County, Oregon, also being a portion of the former US Highway 101 right of way, said right of way having been relinquished to the City of Brookings by the State of Oregon Department of Transportation as described in Book 37 of Records, Page 26, Curry County Records, more particularly described as follows:

Beginning at the northeast corner of Tract 1 as described in Deed recorded in Book 24 of Records, Page 644, Curry County Records, said point lying N $48^{\circ}58'43''$ W, 3544.22 feet from the southeast corner of said Section 5; thence along the east line of said Tract 1 S $30^{\circ}23'00''$ W, 25.41 feet to the southerly line of said former highway right of way line; thence along said southerly right of way line N $69^{\circ}46'18''$ W, 16.53 feet; thence continuing along said right of way line along a spiral curve to the left having a theta angle of $08^{\circ}00'00''$, a chord bearing and distance of N $72^{\circ}23'23''$ W 385.71 feet, a spiral distance of 386.04 feet; thence continuing along said right of way line along a tangent curve to the left, having a radius of 1332.39 feet, a central angle of $00^{\circ}51'21''$ and a chord bearing and distance of N $78^{\circ}11'59''$ W 19.90 feet, an arc distance of 19.90 feet; thence continuing along said right of way line S $31^{\circ}13'00''$ W, 10.64 feet; thence continuing along said right of way line along a non-tangent curve to the left, having a radius of 1322.39 feet, a central angle of $04^{\circ}25'54''$ and a chord bearing and distance of N $80^{\circ}59'59''$ W 102.26 feet, an arc distance of 102.28 feet; thence continuing along said right of way line N $06^{\circ}47'04''$ E, 40.00 feet; thence continuing along said right of way line along a non-tangent curve to the left, having a radius of 1362.39 feet, a central angle of $05^{\circ}44'39''$ and a chord bearing and distance of N $86^{\circ}05'16''$ W 136.53 feet, an arc distance of 136.59 feet to the northwest corner of Tract 2 as described in Deed recorded in Book 24 of Records, Page 644, Curry County Records; thence departing from said right of way line N $86^{\circ}24'09''$ E, 264.54 feet; thence S $75^{\circ}22'35''$ E, 145.64 feet; thence S $70^{\circ}25'04''$ E, 281.23 feet; thence S $19^{\circ}34'56''$ W, 48.91 feet to the point of beginning. Containing 0.94 Acres, more or less.

RESOLUTION NO. 97-R-624

A RESOLUTION OF THE CITY OF BROOKINGS, OREGON AUTHORIZING AND APPROVING A STATE REVOLVING FUND LOAN AGREEMENT TO FINANCE A WASTEWATER TREATMENT FACILITIES PROJECT.

WHEREAS, the City of Brookings, Oregon (the "City") has entered into negotiations with the State of Oregon Department of Environmental Quality (the "DEQ") for a loan to the City from the State Revolving Fund not to exceed \$13,100,000; and

WHEREAS, the DEQ has provided to the City a form of State Revolving Fund Agreement (SRF Loan Agreement") dated September 2, 1997; and

WHEREAS, the City Attorney has reviewed the form of the SRF Loan Agreement and finds in Article I (P) that the City, as "Borrower", agrees to pledge it's Sewer System Net Operating Revenues as a first and paramount lien to secure the loan from the State Revolving Fund, and in Article I (R) that the City agrees to maintain a loan reserve account in the amount of \$948,615 to be used only for loan repayment from the date of the first loan disbursement until the loan is fully repaid.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL
OF THE CITY OF BROOKINGS, OREGON:**

Section 1. The City authorizes and approves the form of the SRF Loan Agreement for the financing of the Wastewater Treatment Facilities Project.

Section 2. The City authorizes and approves the establishment and funding of a designated reserve account to meet the Loan Reserve requirement of the SRF Loan Agreement, and hereby directs the City Recorder to establish this Loan Reserve.

Section 3. The City authorizes and directs the City Recorder and the Mayor, acting for and on behalf of the City, to execute the SRF Loan Agreement and such other and additional documents as may reasonably be required for the consummation and closing of the loan, and any amendments required thereafter.

PASSED and adopted by the City Council of the City of Brookings, Oregon and signed by the Mayor this 22nd day of September, 1997.

**Nancy Brendlinger
Mayor**

ATTEST:

**Beverly Adams
Finance Director/Recorder**