

MINUTES OF THE SPECIAL COUNCIL MEETING
CITY OF BROOKINGS
OCTOBER 26, 1966

The meeting was called to order at 8:10 P. M. by Mayor Bruce J. Manley.

Councilmen present were Lloyd Mosier, Ernest Christensen, and Ben Franklin.

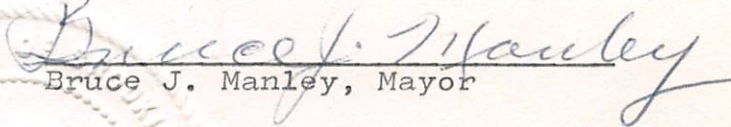
Reporters present were Marge Barrett, Dick Keusink, and Ruth Brewer.

Roy Erichsen presented final plans of the City Hall to the Council. He stated that his firm already had four checks on deposit from contractors awaiting plans. The exterior walls are to be of tilt-up construction and should be water tight. It was also pointed out that representatives of the Department of Motor Vehicles had contacted the City of Brookings and requested space in the new City Hall. Mr. Erichsen indicated he would contact Mr. Yarbrough in Salem and find out what arrangements could be made. Ernest Christensen made a MOTION that the final plans for the City be accepted as presented. Lloyd Mosier seconded the motion, and it carried unanimously.

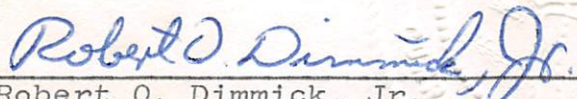
William Slingsby, of the Farmers Home Administration, read a letter from his Portland office to the Council. He also read a letter setting forth proposed approval conditions of the \$317,000 water system loan. Copies of these letters are attached hereto. Mr. Slingsby also went over the list of required loan docket material with the Council. It was pointed out by Mr. Slingsby that the funds probably would be obtained around July 1, 1967, although it was quite possible that they could be obtained at an earlier date. It was indicated that it was the general agreement of the Farmers Home Administration state authorities that they should participate in the construction of a City of Brookings municipal water system.

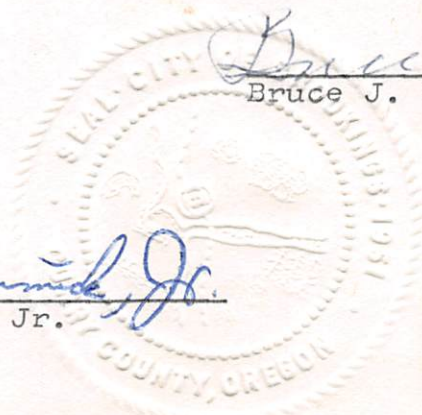
A Proposed agreement between the City of Brookings and Harlan, Gessford, and Erichsen was presented to the Council regarding the construction of a community building on the Palm Stout property. Ernest Christensen made a MOTION that the agreement be accepted subject to approval by the City Attorney. This was seconded by Ben Franklin and passed unanimously.

Ben Franklin made a MOTION for adjournment and Ernest Christensen seconded the motion. The meeting was then adjourned at 9:20 P. M.


Bruce J. Manley, Mayor

ATTEST:


Robert O. Dimmick, Jr.
City Recorder



UNITED STATES DEPARTMENT OF AGRICULTURE
FARMERS HOME ADMINISTRATION
1218 S. W. Washington St.
Portland, Oregon 97205

October 12, 1966

Honorable Bruce J. Manley
Mayor of Brookings
P. O. Box 1308
Brookings, Oregon

Dear Mayor Manley:

The Project Report which we prepared concerning a loan to finance the construction of the proposed water system for the City of Brookings has been reviewed and approved by our National Office in Washington, D. C.

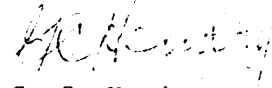
We have received authority to process a loan application on the basis of the Project Report. However, at this time we are unable to issue any loan commitment as all allocated loan funds in Oregon for this fiscal year have been committed for other projects.

We will maintain your application in an active priority status until such time as funds become available and we are able to issue a tentative loan commitment to finance the project. We are enclosing a list of proposed approval conditions for your review and information. These are the requirements (subject to revision) that will be outlined in our memorandum of tentative commitment when loan funds become available.

It is important that you avoid incurring expenses for which the City does not have funds available. Fees for engineering services, legal services, rights-of-way options or similar expenses consistent with the proposed project could be paid from the loan if and when it is approved, but this would be contingent upon the availability of funds.

You and your City Council should plan to meet with our County Supervisor, William Slingsby, to discuss the problem of funding before undertaking any additional work on the proposed project. We are advising Mr. Slingsby to contact you and arrange for a convenient meeting date.

Sincerely,



G. C. Hendry
Acting State Director

Enclosure:
proposed approval conditions

cc:
Grants Pass FHA
District Supervisor 2

PROPOSED APPROVAL CONDITIONS

October 13, 1966

**City of Brookings, Curry County, Oregon - Water
System - Proposed Direct Association Loan - \$317,000**

Based on the information contained in the Project Report, a loan to finance the construction of a water system to serve the City of Brookings will be subject to the requirements of applicable FHA Instructions, closing conditions of the Office of the General Counsel and the following:

1. **This loan is contingent on the availability of loan funds or insurance authority. Neither funds nor insurance authority will be obligated until the required conditions are met and the loan is ready to close.**

2. **Amount: The loan will not exceed \$317,000.**

3. **Repayment Schedule:**

The loan will be repayable over a period of 40 years from the date of loan closing. Repayments due the first and second January 1, after the loan closing, will be interest only.

4. **Contributions by the Applicant:**

The City shall contribute \$30,000 cash, which shall be used as follows:

a. Initial Reserve	\$ 1,000
b. Initial O&M	1,000
c. Deposit with loan funds	<u>28,000</u>
Total	30,000

5. **Security requirements:**

The loan will be evidenced by revenue bonds in the amount of \$317,000 and a pledge of sufficient revenue to meet loan payments.

A resolution to be prepared by the City and adopted by the City Council, authorizing the issuance of the bonds, must be included in the loan docket for prior approval by the Farmers Home Administration. It will contain all of the covenants and agreements between the City and Government with respect to collection, custody and application of the revenue, and the Government's remedies in the event of default.

6. **Organization: The City shall retain its present organizational structure.**

7. **Business Operations:**

The City must adopt rules and regulations for the operation and use of a domestic water system. Such rules and regulations must

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be included in the docket for review prior to final adoption.

8. Insurance and Bonding: Insurance and bonding requirements are as follows:
 - a. Liability insurance - A \$100,000/\$200,000/\$50,000 policy.
 - b. Fidelity Bond - \$30,000 on the position of Recorder-Treasurer.
 - c. Real property insurance - in the amount of building costs for equipment and shelter.
9. Development: All development will be completed by contract in accordance with applicable provisions of FHA Instruction 424.2.
10. Number of Users. Prior to closing the loan, the City must have at least 200 users who have signed water user agreements and who have paid the \$100.00 hook-up fee.
11. Other conditions which must be met:
 - a. All Government funds and the funds to be contributed by the borrower will be deposited in a supervised bank account in accordance with FHA Instruction 402.1. City officials will select the bank in which funds are to be deposited. Compliance with AL-802(402) is required.
 - b. The plans for the water system improvements must be submitted to the State Sanitary Authority for review and approval. Evidence must be furnished for the docket that the plans have been approved by the State Sanitary Authority.
 - c. A statement must be obtained from the State Sanitary Authority to the effect that the proposed system will not result in pollution of waters of the State in excess of standards established by that agency.
 - d. The City will request comments on the project from the County Court. Exhibit B of FHA Instruction 442.2 may be used as a guide.
 - e. Based on the information furnished in the Project Report, it has been determined that the project:
 - (1) Will serve a rural area which is not likely to decline in population below that for which the facility is designed.
 - (2) Will be designed and constructed so that adequate capacity will be or can be made available to serve the present population of the area to the extent that such service is feasible and also to serve the reasonable foreseeable growth needs of the area.

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- f. The City must enter into formal contracts with its attorney and engineer. These contracts must be reviewed and approved by this office before execution by the City officials. These contracts will be made a part of the loan docket. Exhibits C and D of FHA Instruction 442.2 may be used as guides.**
- g. Title information as required by FHA Instruction 442.4, Exhibit E, paragraph XI, will be included in the loan docket. Permits from the County to lay lines on county rights-of-way will be included in the loan docket.**
- h. The applicant is cautioned against starting construction or otherwise incurring obligations in accordance with paragraph VI E of FHA Instruction 442.2.**
- i. Alternate bids will be taken on asbestos cement, wrapped steel, and cast iron pipe.**
- j. The attached lists show the material that will make up the docket.**