



City of Sandy

Agenda

City Council Meeting

Meeting Date: Monday, April 5, 2021

Meeting Time: 6:00 PM

Page

1. MEETING FORMAT NOTICE

The City Council will conduct this meeting electronically using the Zoom video conference platform. Members of the public may listen, view, and/or participate in this meeting using Zoom. Using Zoom is free of charge. See the instructions below:

- To login to the electronic meeting online using your computer, click this link: <https://us02web.zoom.us/j/84079837005>
- If you would rather access the meeting via telephone, dial (253) 215-8782. When prompted, enter the following meeting number: 840 7983 7005
- If you do not have access to a computer or telephone and would like to take part in the meeting, please contact City Hall by Friday April 2nd and arrangements will be made to facilitate your participation.

2. CITY COUNCIL WORK SESSION - 6:00 PM

2.1. Homelessness Taskforce

[Homelessness Taskforce - Pdf](#)

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3. CITY COUNCIL REGULAR MEETING - 7:00 PM

4. PLEDGE OF ALLEGIANCE

5. ROLL CALL

6. CHANGES TO THE AGENDA

7. PUBLIC COMMENT

The Council welcomes your comments at this time. Please see the instructions below:

- If you are participating online, click the "raise hand" button and wait to be

recognized.

- If you are participating via telephone, dial *9 to "raise your hand" and wait to be recognized.

8. RESPONSE TO PREVIOUS PUBLIC COMMENTS

(No comments at 3/15/21 meeting)

9. PRESENTATION

- 9.1. **Wastewater Improvements: Detailed Discharge Alternatives Evaluation** 5 - 52
[Presentation on Detailed Discharge Alternatives Evaluation - Pdf](#)
[Draft Executive Summary - Detailed Discharge Alternatives Evaluation](#)

10. CONSENT AGENDA

- 10.1. **City Council Minutes** 53 - 90
[City Council - 15 Mar 2021 - Minutes - Pdf](#)
- 10.2. **Policy for Pesticide Use in City Parks** 91 - 94
[Policy for Pesticide Use in City Parks - Pdf](#)

11. OLD BUSINESS

- 11.1. **Wastewater Rate Model Update** 95 - 114
[Wastewater Rate Model and Funding Plan Update - Pdf](#)
- 11.2. **Full Faith & Credit Obligations, Series 2021** 115 - 135
[Full Faith & Credit Obligations, Series 2021 - Pdf](#)
- 11.3. **Resolution 2021-05** 136 - 183
Authorizing Loan From the Clean Water State Revolving Loan Fund
[Staff Report / Resolution / Draft Loan Agreement](#)

12. NEW BUSINESS

- 12.1. **Advisory Bodies Governance and Structure** 184 - 198
[Advisory Bodies Governance and Structure - Pdf](#)
- 12.2. **Bee City USA Discussion** 199 - 205
[Presentation Slides](#)

13. REPORT FROM THE CITY MANAGER

14. COMMITTEE /COUNCIL REPORTS

15. STAFF UPDATES

15.1. [Monthly Reports](#)

16. ADJOURN



Staff Report

Meeting Date: April 5, 2021
From Jordan Wheeler, City Manager
SUBJECT: Homelessness Taskforce

BACKGROUND:

The City Council adopted a 2021-23 goal to "Collaborate with regional and community partners to address homelessness" with action steps to appoint a homelessness task force and create a plan to address homelessness in Sandy.

The purpose of this initial work session is to initiate work on this goal by defining the issues and priorities, discussing the current legal environment, identifying initial ideas for the taskforce to explore, and outlining the scope and desired membership on a taskforce.

Joining staff at the meeting will be Clackamas County Deputy District Attorney Bill Stewart and Emily Matasar from Beery Elsner and Hammond to answer questions, discuss current laws and legislation, and other programs being explored.

Relatedly, the Social Services Taskforce started meeting this year. That Taskforce will be conducting a needs assessment and developing a strategic plan for social services. One of the focus areas is homelessness. It is worth exploring how these two efforts can support each other. The project coordinator, Maggie Gilman Holm, has also been invited to attend the work session.

BUDGETARY IMPACT:

Unknown at this time.

RECOMMENDATION:

Staff recommends the Council holds the initial work session, discuss the homeless issues in Sandy, and provide direction on the formation of a homelessness taskforce.



Staff Report

Meeting Date: April 5, 2021

From Mike Walker, Public Works Director

SUBJECT: Presentation on Detailed Discharge Alternatives Evaluation

BACKGROUND:

At the end of the 2019 legislative session, the City was successful in securing \$500,000 to fund a detailed review of alternatives for discharge to the Sandy River. We entered into an agreement in February, 2020 with Murraysmith to perform a detailed review of the discharge alternatives. The alternatives reviewed included: 1) Summer land application of treated wastewater for agricultural uses; 2) Export of wastewater to Gresham's treatment plant or Clackamas County's Tri-Cities plant; 3) Direct discharge to the Sandy River at one of three sites and 4) a variation on number 3 - discharge to the Sandy River at Revenue Bridge with temperature mitigation during summer months using wetlands treatment and cooling at Roslyn Lake.

Murraysmith provided a presentation and status report on the discharge alternatives for the City Council, the Sandy River Watershed Council and the Clackamas River Basin Council in September of last year and the City Council toured the Roslyn Lake site in February of this year.

The analysis is almost complete and Murraysmith will provide a presentation on April 5th on the status of the alternatives and recommendations on next steps.

The full report will be posted on the city website for public review and comment.

RECOMMENDATION:

Provide comments and ask questions on the presentation.

LIST OF ATTACHMENTS/EXHIBITS:

- Murraysmith presentation slides
- Draft Executive Summary

City of Sandy
City Council Meeting
*Wastewater Discharge
Alternatives Study*

murraysmith



April 5, 2021

AGENDA



1. PURPOSE & BACKGROUND

PURPOSE

- ▶ Report key findings from studies
- ▶ Provide recommendations for next steps



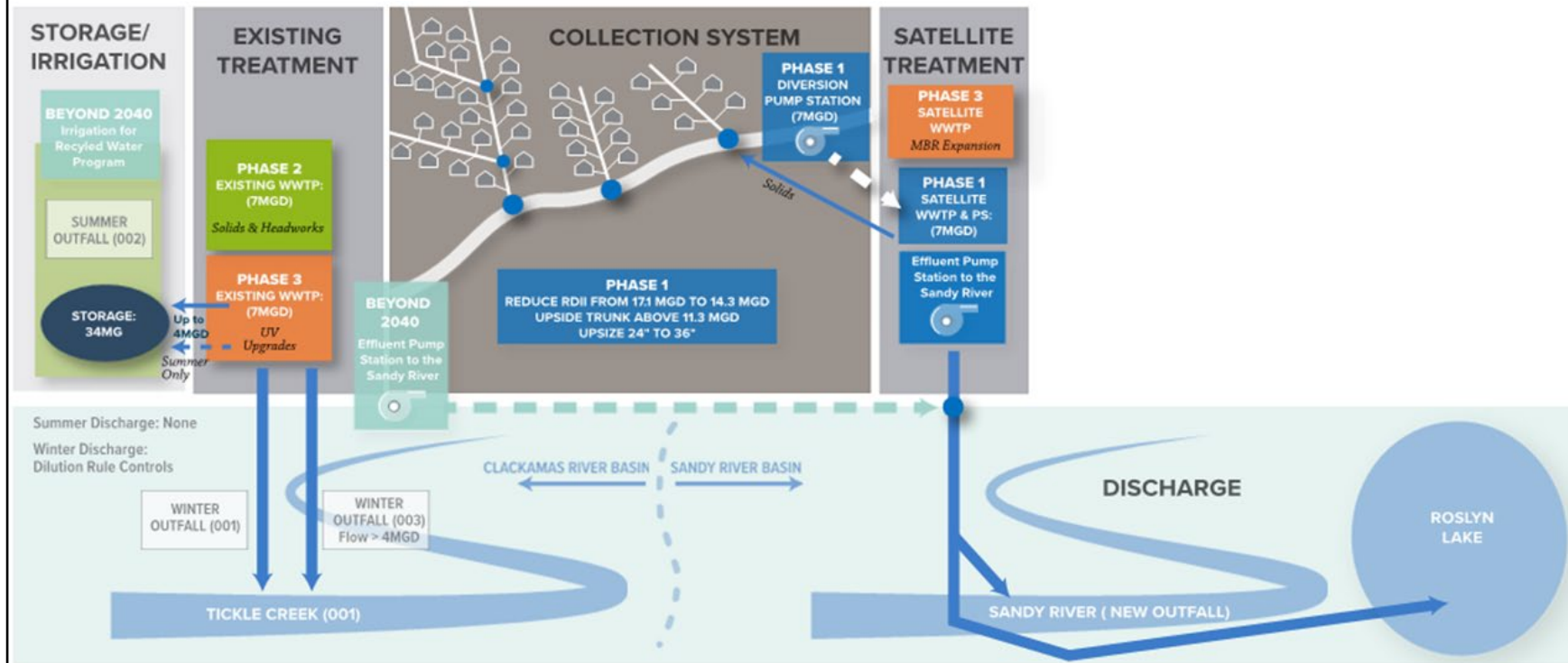
KEY ISSUES

- ▶ High Inflow and Infiltration in the City's sanitary sewer collection system
- ▶ Existing Wastewater Treatment Plant (WWTP) has limited capacity and is located on a constrained site
- ▶ Limited discharge capacity in Tickle Creek
- ▶ City now under Mutual Agreement and Order (MAO) from DEQ

OVERVIEW OF EXISTING SYSTEM



OVERVIEW OF APPROACH



2. FINDINGS

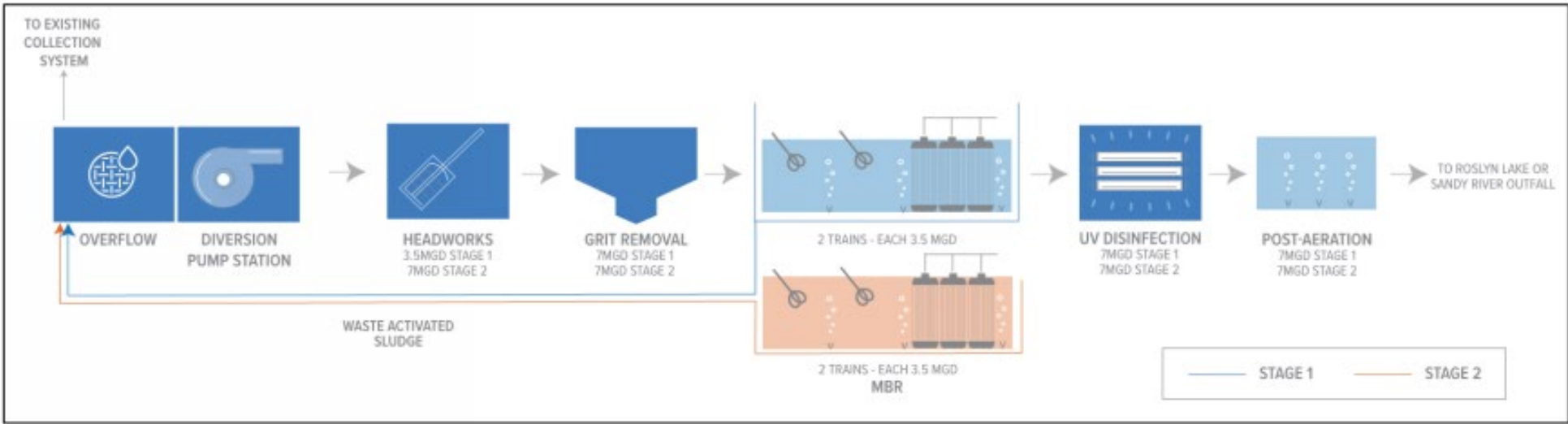


Treatment Facilities

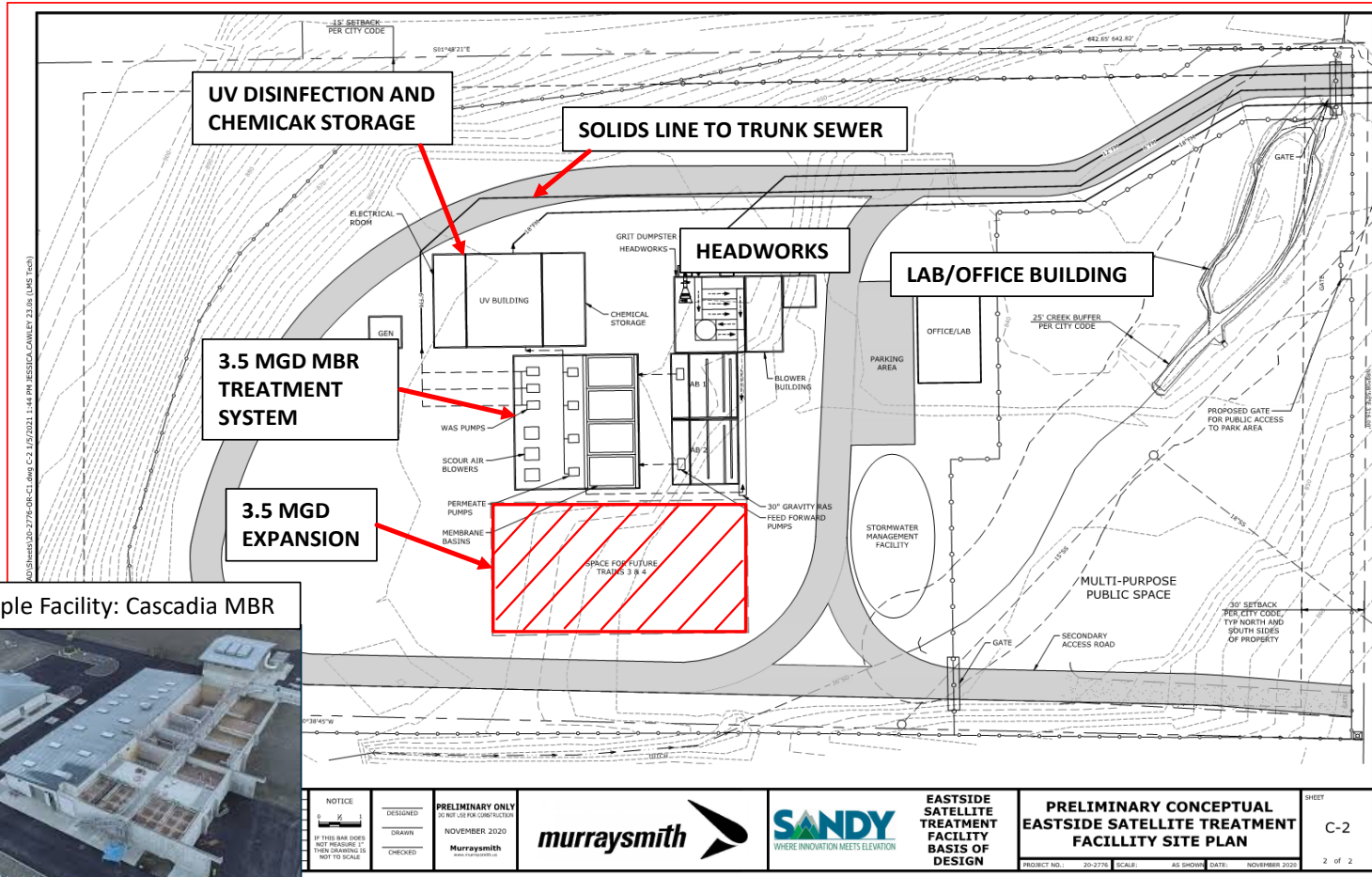


**EASTSIDE SATELLITE
TREATMENT FACILITY**

EASTSIDE SATELLITE TREATMENT FACILITY PROCESS



EASTSIDE SATELLITE TREATMENT FACILITY LAYOUT

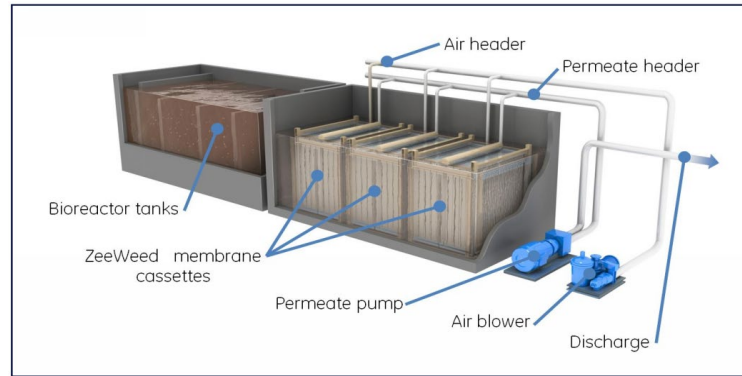


Projected Design Flows

Phase	ADWF	Peak Flow
1	0.46 MGD	3.5 MGD
3	0.93 MGD	7.0 MGD

ESTIMATED HIGH QUALITY MBR EFFLUENT

Membrane bioreactors (MBR) produce consistent, high quality finished water



Estimated MBR effluent quality:	
BOD ₅ :	< 5 mg/L
TSS:	< 1 mg/L
Total Nitrogen:	< 14 mg/L
Turbidity:	< 0.2 NTU
Total Coliform	typ. non-detect

SANDY RIVER OUTFALL SITING STUDY

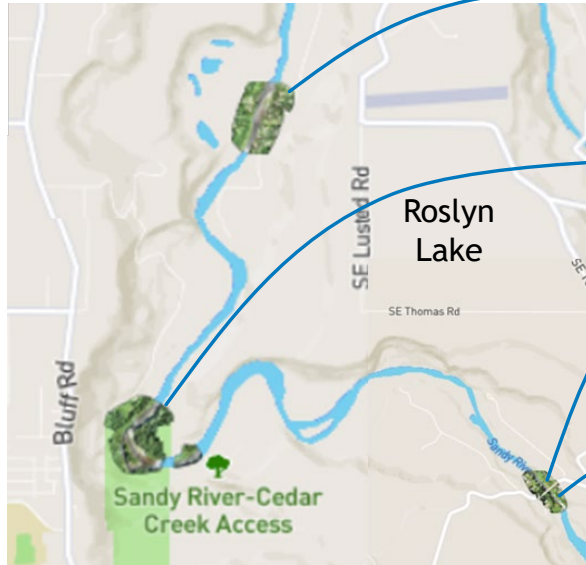


OUTFALL LOCATIONS



PIPELINE ALIGNMENTS

PLANNING LEVEL SITE REVIEWS



Site west of Roslyn Lake and in the PGE easement appears to have geomorphic instability

Oxbow site has geomorphic instability

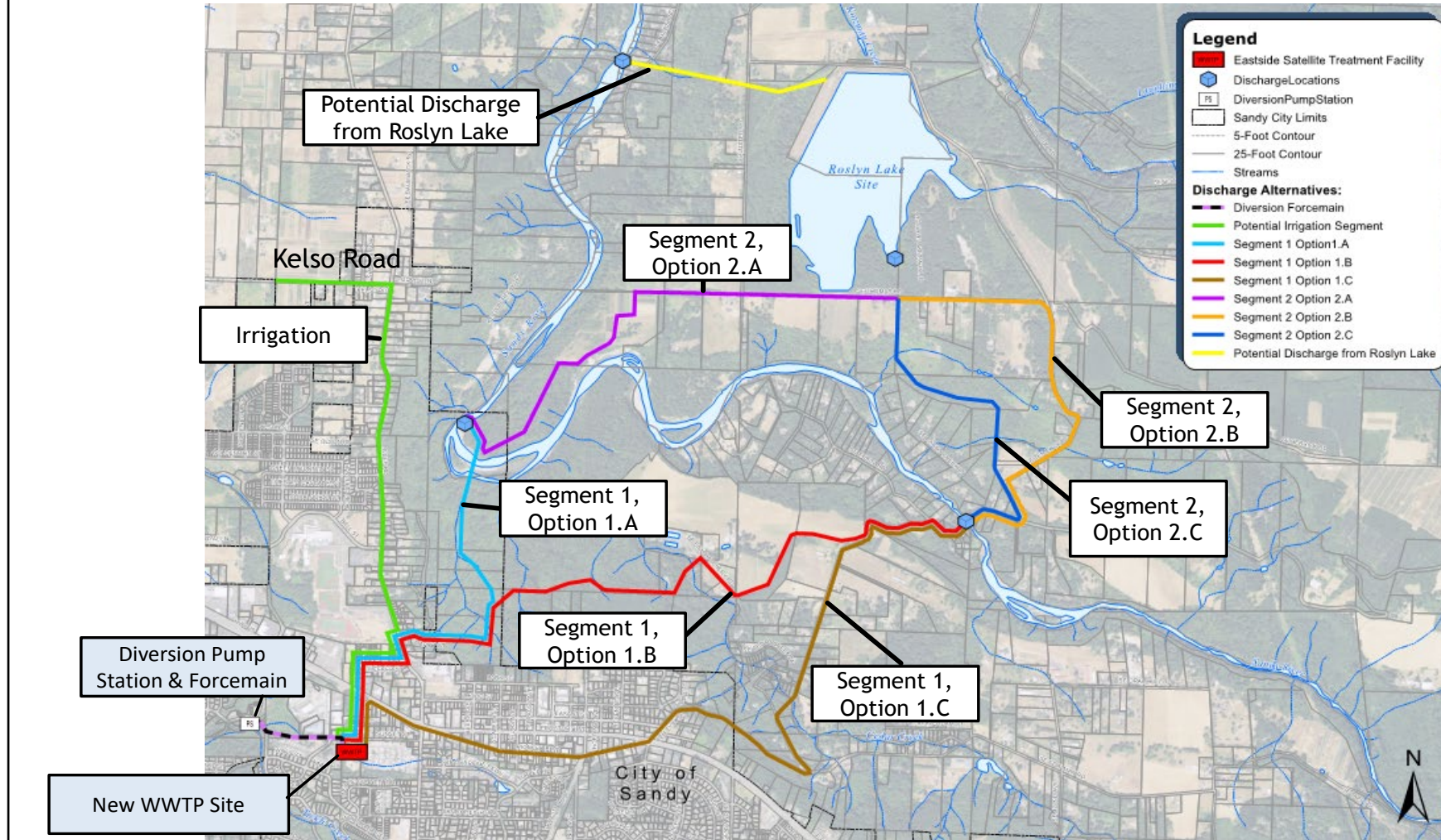
Revenue Bridge site has geomorphic stability and good mixing characteristics

Revenue Bridge site has fewer fishery and recreation concerns

REVENUE BRIDGE POTENTIAL OUTFALL LOCATION



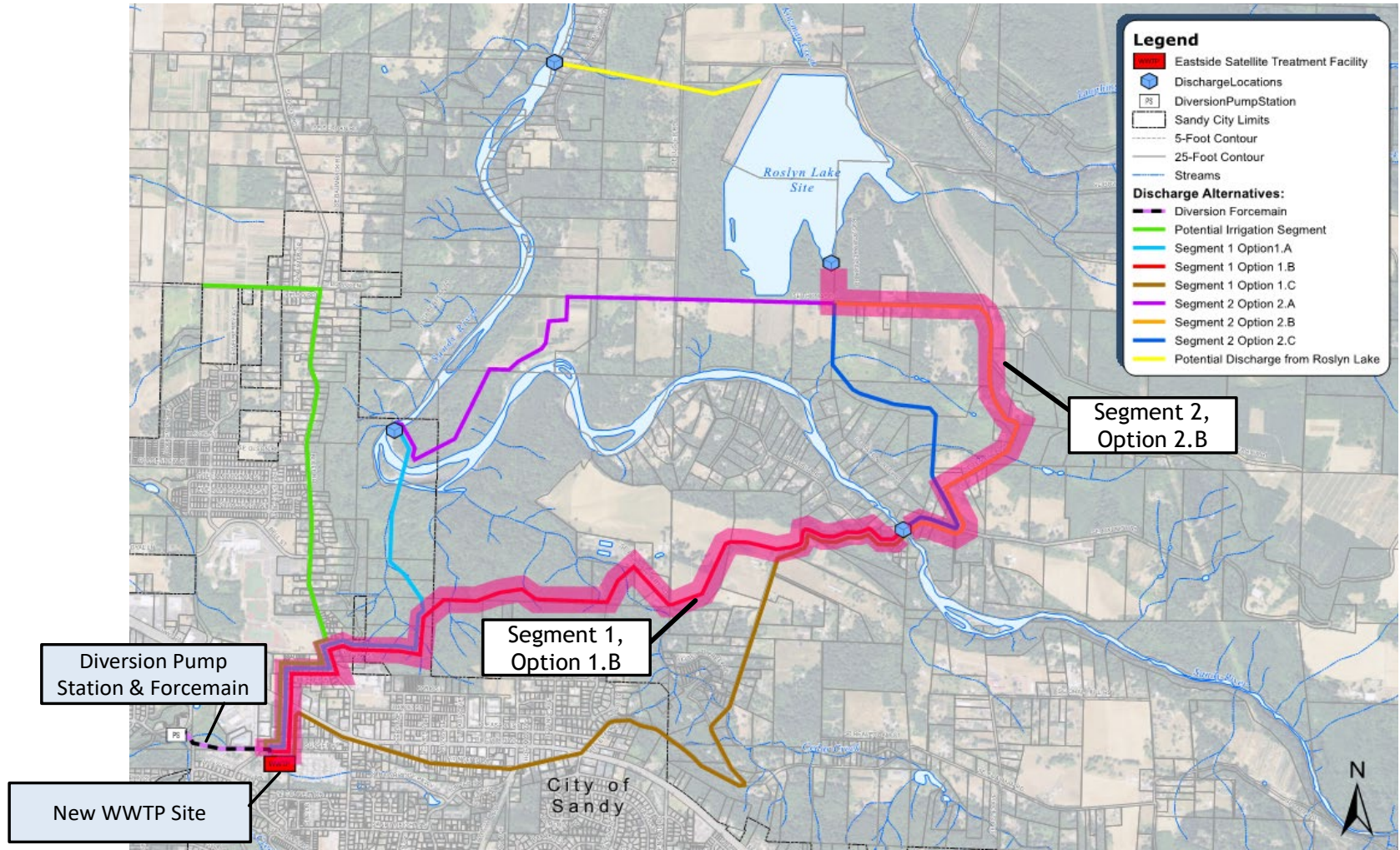
PIPE ROUTING AND POTENTIAL OUTFALL LOCATIONS



PIPE ROUTE SELECTION CRITERIA

Cost	Environmental Effects	Impacts to the Public	Required Agency Coordination and Permitting
Constructability	Seismic/Landslide Considerations	Property Acquisition and Easement Needs	Land Use
Opportunities for Hydro Power	Opportunities for Additional Uses of Effluent	Proximity to Selected Discharge Location	Environmental Permitting

RECOMMENDED PIPE ROUTE



*Note:

Segment 1 = Discharge to Sandy River

Segment 2 = Discharge from Sandy River to Roslyn Lake

COST ESTIMATE EVALUATION

Pipe Route	Estimated Cost
Segment 1 (Discharge to Sandy River)	
Segment 1, Option 1.A	\$15.6M
Segment 1, Option 1.B	\$7.8M
Segment 1, Option 1.C	\$9.0M
Segment 2 (From Sandy River to Roslyn)	
Segment 2, Option 2.A	\$6.0M
Segment 2, Option 2.B	\$3.9M
Segment 2, Option 2.C	\$13.0M
Additional Alternatives	
WES/ (Clackamas County)	\$64.4M
Gresham	\$74.2M
Irrigation - Kelso Road	\$7.6M

LAND APPLICATION OPPORTUNITIES



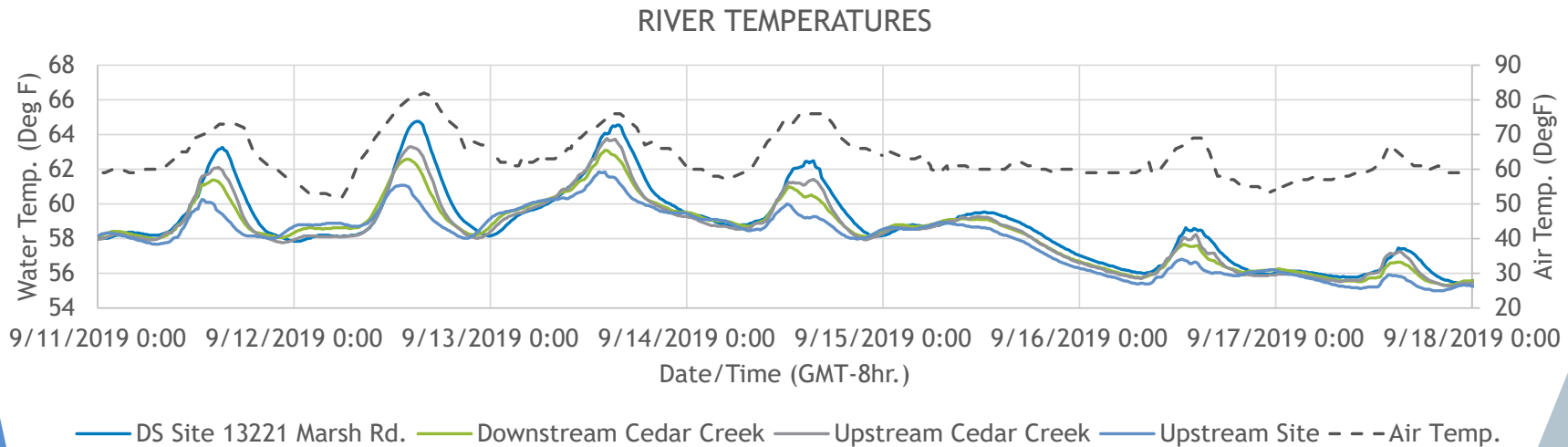
WETLAND CREATION



IRRIGATION OPPORTUNITIES

PRELIMINARY ANTIDEGRADATION RESULTS

- ▶ Discharge to the Sandy River is predicted to be limited due to temperature.
- ▶ Important to maximize land application during the summer months



ROSLYN LAKE EXISTING WETLAND

▶ TRACKERS EARTH

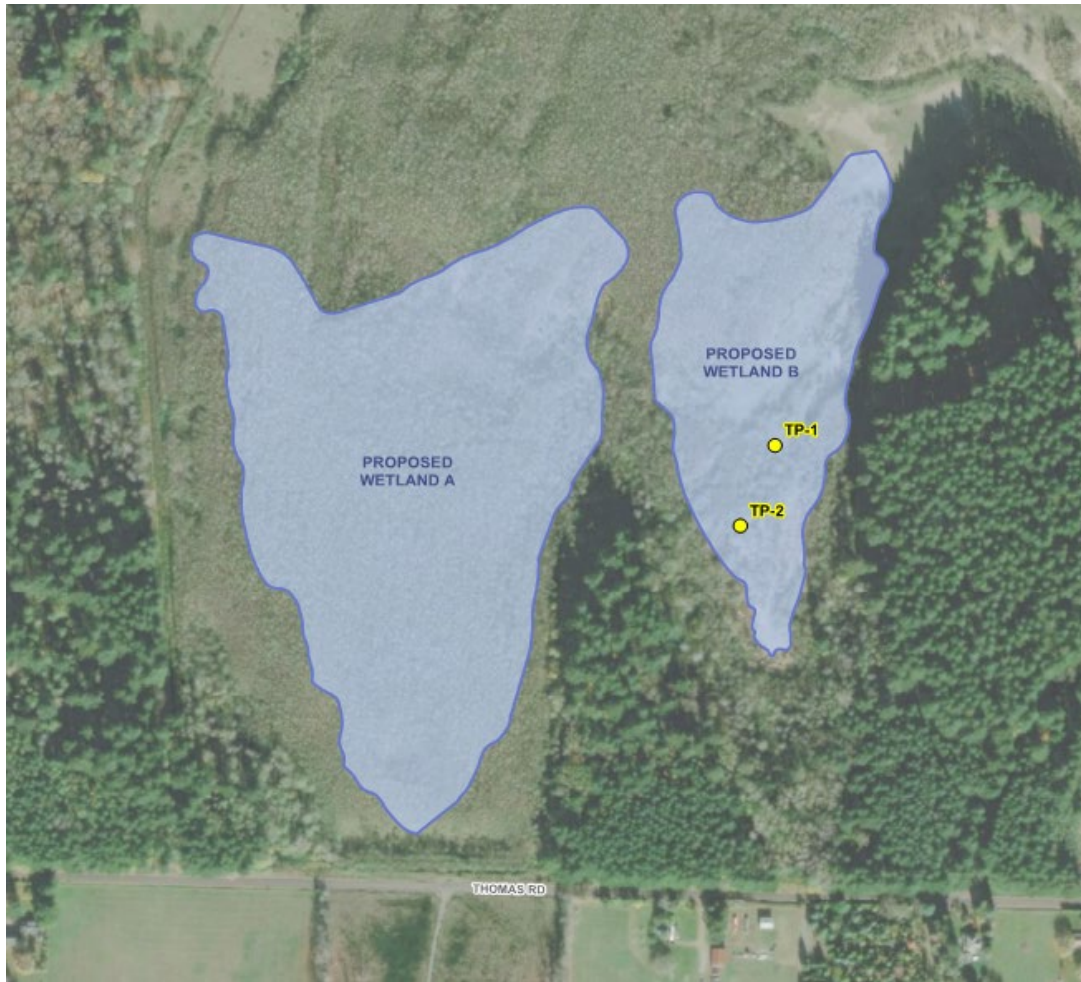
- ▶ Environmental education
- ▶ Conservation
- ▶ Habitat restoration and stewardship
- ▶ Ecological diversity



ROSLYN LAKE INFILTRATION STUDY

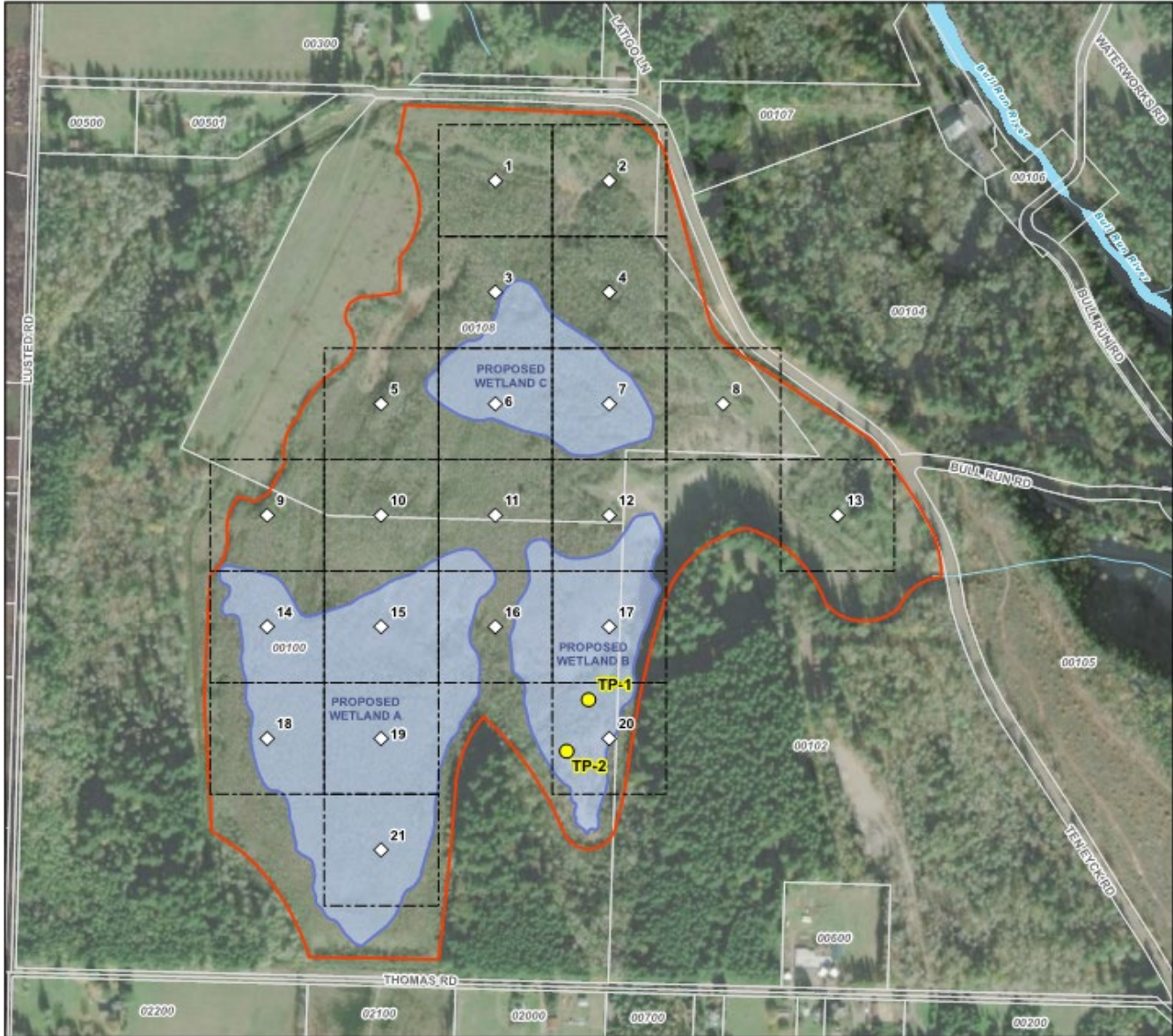


HYDRAULIC CONDUCTIVITY



- ▶ TP1: 432.7 in/hr
- ▶ Poorly Graded Sand (SP)

- ▶ TP2: 31.6 in/hr
- ▶ Sandy Silt (ML)

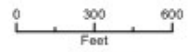


Proposed Boring Locations Subsurface Soil Investigation

LEGEND

- ◇ Proposed Boring Location
- ▭ Sampling Grid
- ▭ Sample Area
- Test Pit
- ☁ Proposed Wetland
- ▭ Tax Lot
- ~ Watercourse

LOCATOR MAP



Date: February 1, 2021
Data Sources: LIGGS, ESRI

KEY FINDINGS: ROSLYN LAKE

- ▶ Summer/fall flows from MBR could be used to create/enhance wetlands in Roslyn Lake area
- ▶ Roslyn Lake area soils require further investigation
- ▶ Roslyn Lake area has existing wetlands that need to be delineated
- ▶ Enhancement of existing wetlands may provide for mitigation credit for other project impacts

REUSE/IRRIGATION, HYPORHEIC DISCHARGE, AND POWER GENERATION

- ▶ Reuse/irrigation market is limited
- ▶ Hyporheic Discharge Along the Sandy River – Challenges with geomorphic stability and meeting temperature restrictions
- ▶ Hydropower generation may be feasible but requires further review



3. SUMMARY AND RECOMMENDATIONS

COST ESTIMATE

Wastewater System Improvement	Estimated Cost
Satellite Treatment Facility and Pump Station	\$28.5M
Pipeline	\$12M
Sandy River Outfall	\$0.6M
Roslyn Lake Constructed Wetlands	\$5M
Sub-Total	\$46.1M
Existing WWTP Improvements	\$5.5M
Existing Collection System Rehab	\$7M
Sub-Total	\$12.5M
Grand Total	\$58.6M

SUMMARY AND RECOMMENDATIONS

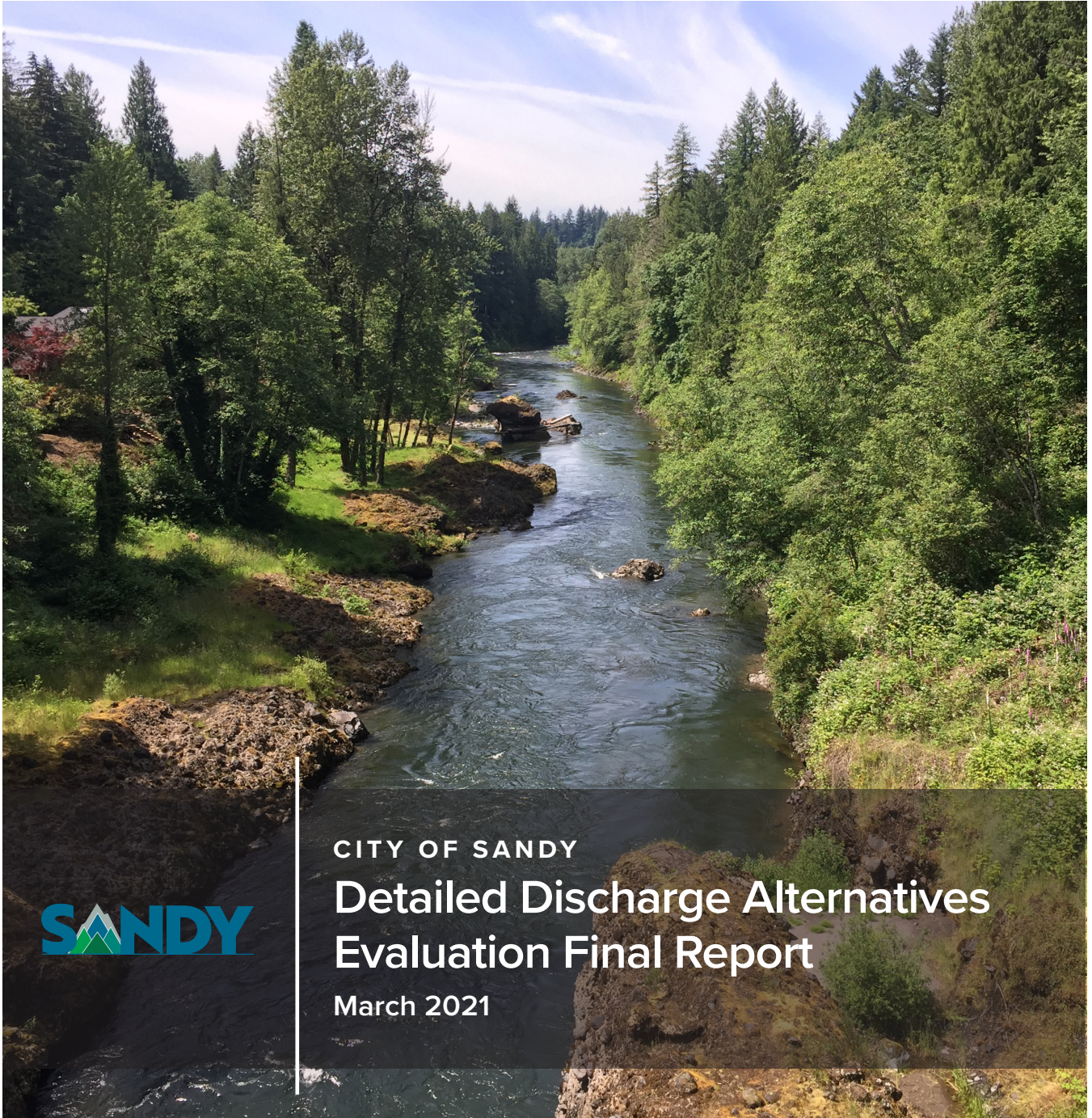
SUMMARY

- ▶ DETAILED DISCHARGE ALTERNATIVES EVALUATION GOALS
 - ▶ FURTHER ASSESS DISCHARGE ALTERNATIVES
 - ▶ IRRIGATION
 - ▶ LAND APPLICATION
 - ▶ WES/GRESHAM
 - ▶ PIPE ROUTING
 - ▶ MBR/PS BASIS OF DESIGN
 - ▶ DEVELOP PRELIMINARY CONCEPTS

NEXT STEPS

- ▶ ADDITIONAL INVESTIGATIONS AT ROSLYN LAKE SITE
- ▶ CONFIRM PIPE ROUTING CONCEPTS
- ▶ CONFIRM MBR SITING AND LAYOUT OUT CONCEPTS
- ▶ ENVIRONMENTAL AND CONSTRUCTION PERMITTING
- ▶ PRELIMINARY AND FINAL DESIGNS
- ▶ CONSTRUCTION

Questions



CITY OF SANDY
**Detailed Discharge Alternatives
Evaluation Final Report**
March 2021

PHOTO PROVIDED BY: WOLF WATER RESOURCES

Detailed Discharge Alternatives Evaluation Final Report

City of Sandy

March 2021

DRAFT

Murraysmith

888 SW 5th Avenue
Suite 1170
Portland, OR 97204

Executive Summary

Introduction

The City of Sandy (City) Detailed Discharge Alternatives Evaluation (DDAE) Study provides an evaluation of discharge alternatives building on the adopted Recommended Plan contained in the City's Wastewater System Facilities Plan (WSFP) dated January 2019 and adopted by the Sandy City Council in October 2019. In addition to rehabilitation of the City's sewer collection system and upgrades at the City's existing Wastewater Treatment Plant (WWTP), the WSFP Recommended Plan includes the construction of the Eastside Membrane Bioreactor Satellite Treatment Facility (Eastside MBR Facility) and diversion pump station along with a new year-round Sandy River Outfall.

Summary of the Scope

The goal of the DDAES is to identify and evaluate discharge options in lieu of or in combination with a direct year-round discharge to the Sandy as proposed in the WSFP Recommended Plan.

This document is associated with Task 9.1 of the project scope of work, which involves consolidating the information, including evaluations, findings, and recommendations from each of the memoranda into a single report identified in the scope-of-work. This memorandum is divided into sections based on the technical memoranda provided under the scope of work followed by summary conclusions for the DDAE.

Analysis Summary

TM-3: Alternative Wastewater System Connection

Technical Memorandum 3 (TM-3) contains a summary of information regarding pumping raw wastewater from the City to either the Clackamas County Water Environment Services (WES) Tri-City Water Pollution Control Plant (WPCP) or the City of Gresham WWTP (Gresham WWTP). Alignments, capital costs, and lifecycle costs for each option were developed. It was assumed that the cost was a planning estimate to be used solely for the purpose of a detailed discharge alternatives evaluation for the City.

The purpose of documenting these alternatives was to verify the results of previous planning efforts presented in the City's WSFP, prepared in 2018. In the WSFP, it was documented that the discharge alternatives to WES and Gresham represented greater costs than the alternatives outlined for a new discharge to the Sandy River, which totaled approximately \$60M. The evaluation relative to the WES and Gresham alternatives was completed at a planning level effort based several assumptions. The evaluation presented with the memorandum represents

additional details relative to pipe routing and pump stations, additional cost analysis and additional information provided through discussions with staff from WES and the Gresham WWTP. The estimated costs for the WES and Gresham alternatives were \$116M and \$130M, respectively.

The costs outlined within TM-3 are significantly higher than the Sandy River Discharge Alternative. Based on that, as well as the uncertainty associated with exporting flows and the associated, potentially higher operational costs, these alternatives are not recommended for this project.

TM-4: Basis of Design Report

The purpose of this technical memorandum is to summarize the activities of Task 3: Sandy Wastewater Treatment Facilities Basis of Design. Specifically, the report provides greater clarification of the design criteria for the existing City of Sandy WWTP (Sandy WWTP) and the Eastside MBR Facility, as recommended in the WSFP.

As part of the WSFP, the 20-year flow and load projections for the entire system were developed as shown on **Table ES-1** through **Table ES-3**.

A summary of the projected flows from 2017 to 2040 to the existing Sandy WWTP based on proposed staging of the Eastside MBR Facility is shown in **Table ES-4**, and the revised wastewater loads to the Sandy WWTP are show in **Table ES-5** and **Table ES-6**.

For the Eastside MBR Facility, a summary of the projected flows is shown in **Table ES-7**, and the projected wastewater loads are show in **Table ES-8** and **Table ES-9**.

Table ES-1 | Summary of Existing and Projected Flow

Flow	Existing Flow, MGD	2040 Flow, MGD
Annual Average Flow (AAF)	1.4	2.39
Average Dry Weather Flow (ADWF)	1.0	2.0
Average Wet Weather Flow (AWWF)	1.78	3.05
Maximum Month Dry Weather Flow (MMDWF)	1.5	2.4
Maximum Month Wet Weather Flow (MMWWF)	2.6	4.1
Peak Week Flow (PWF)	4.0	6.6
Peak Day Flow (PDF)	8.9	12.1
Peak Instantaneous Flow (PIF)	10.3	14.0

Table ES-2 | Current BOD₅ and TSS Loads

2017 Population	Parameter	Monthly Average			Maximum Month		
		Concentration (mg/L)	Load (ppd)	Load Factor (ppcd)	Concentration (mg/L)	Load (ppd)	Load Factor (ppcd)
Summer Season (May 1 through October 31)							
11,800	BOD ₅	286	2,500	0.209	455	3,600	0.305
11,800	TSS	280	2,400	0.201	456	3,500	0.294
Winter Season (November 1 through April 30)							
11,800	BOD ₅	192	2,400	0.203	297	3,500	0.294
11,800	TSS	190	2,400	0.202	342	3,900	0.333

Notes:

1. ppd= pounds per day
2. ppcd = pounds per capita per day

Table ES-3 | 2040 BOD₅ and TSS Loading Projections

2040 Population	Parameter	Monthly Average		Maximum Month	
		Load Factor (ppcd)	Load (ppd)	Load Factor (ppcd)	Load (ppd)
Summer Season (May 1 through October 31)					
22,400	BOD ₅	0.209	4,700	0.305	6,800
22,400	TSS	0.201	4,500	0.294	6,600
Winter Season (November 1 through April 30)					
22,400	BOD ₅	0.203	4,600	0.294	6,600
22,400	TSS	0.202	4,500	0.333	7,500

Notes:

1. ppd= pounds per day
2. ppcd = pounds per capita per day

Table ES-4 | Summary of Current and Projected Flow (MGD) to Existing Sandy WWTP

Flow Event	2017	2020	2025	2026 ¹	2030	2035	2036 ²	2040
AAF	1.4	1.45	1.53	0.93	1.14	1.35	0.76	1.20
ADWF	1.08	1.12	1.18	0.72	0.88	1.05	0.59	0.93
AWWF	1.78	1.85	1.95	1.19	1.45	1.73	0.97	1.53
MMDWF	1.41	1.46	1.54	0.94	1.15	1.37	0.77	1.21
MMWWF	2.66	2.76	2.91	1.8	2.17	2.58	1.44	2.27
PWF	5.01	5.19	5.48	3.34	4.08	4.85	2.71	4.28
PDF	5.87	6.08	6.42	3.91	4.77	5.68	3.18	5.02
PIF	9.05	9.38	9.9	6.40	7.73	9.13	5.63	7.00

Notes:

1. First stage of Eastside MBR Facility begins operation in 2026
2. Second stage of Eastside MBR Facility begins operation in 2036

Table ES-5 | Sandy WWTP Average Day BOD₅ and TSS Loading Projections

Year	Average Dry Weather			Average Wet Weather		
	Flow, MGD	BOD ₅ , ppd	TSS, ppd	Flow, MGD	BOD ₅ , ppd	TSS,ppd
2020	1.12	2,700	2,600	1.85	2,600	2,600
2025	1.18	3,100	3,000	1.95	3,000	3,000
2026 ¹	0.718	1,900	1,800	1.19	1,800	1,800
2030	0.878	2,300	2,200	1.45	2,300	2,200
2035	1.05	2,800	2,700	1.73	2,700	2,700
2036 ²	0.585	1,600	1,500	0.97	1,500	1,500
2040	0.925	2,300	2,200	1.53	2,300	2,300

Notes:

1. First stage of Eastside MBR Facility begins operation in 2026
2. Second stage of Eastside MBR Facility begins operation in 2036

Table ES-6 | Sandy WWTP Maximum Month BOD₅ and TSS Loading Projections

Year	Maximum Month Dry Weather			Maximum Month Wet Weather		
	Flow, MGD	BOD ₅ , ppd	TSS, ppd	Flow, MGD	BOD ₅ , ppd	TSS, ppd
2020	1.46	3,900	3,800	2.76	3,800	4,300
2025	1.54	4,500	4,300	2.91	4,300	4,900
2026 ¹	0.9375	2,700	2,600	1.78	2,700	3,000
2030	1.1475	3,400	3,300	2.17	3,300	3,700
2035	1.37	4,100	4,000	2.58	4,000	4,500
2036 ²	0.765	2,300	2,200	1.44	2,200	2,500
2040	1.205	3,400	3,300	2.27	3,300	3,700

Notes:

1. First stage of Eastside MBR Facility begins operation in 2026
2. Second stage of Eastside MBR Facility begins operation in 2036

Table ES-7 | Summary of Projected Flow for Eastside MBR Facility in MGD

Flow Event	2026 ¹	2030	2035	2036 ²	2040
AAF	0.60	0.60	0.60	1.20	1.20
ADWF	0.46	0.46	0.46	0.93	0.93
AWWF	0.76	0.76	0.76	1.53	1.53
MMDWF	0.60	0.60	0.60	1.21	1.21
MMWWF	1.14	1.14	1.14	2.27	2.27
PWF	2.14	2.14	2.14	4.28	4.28
PDF	2.51	2.51	2.51	5.02	5.02
PIF	3.50	3.50	3.50	7.00	7.00

Notes:

1. First stage of Eastside MBR Facility begins operation in 2026
2. Second stage of Eastside MBR Facility begins operation in 2036

Table ES-8 | Eastside MBR Facility Average Day BOD₅ and TSS Loading Projections

Year	Average Dry Weather			Average Wet Weather		
	Flow, MGD	BOD ₅ , ppd	TSS, ppd	Flow, MGD	BOD ₅ , ppd	TSS, ppd
2026	0.46	1,211	1,164	0.76	1,173	1,167
2040	0.93	2,337	2,248	1.53	2,270	2,259

Table ES-9 | Eastside MBR Facility Maximum Month BOD₅ and TSS Loading Projections

Year	Maximum Month Dry Weather			Maximum Month Wet Weather		
	Flow, MGD	BOD ₅ , ppd	TSS, ppd	Flow, MGD	BOD ₅ , ppd	TSS, ppd
2026	0.60	1,764	1,700	1.14	1,695	1,920
2040	1.21	3,411	3,288	2.27	3,288	3,724

The report further evaluated and determined that flows at the Diversion Pump Station were sufficient to consistently send the required flow to the Eastside MBR Facility.

The Biowin biological process model of the existing Sandy WWTP, developed as part of the WSFP, was evaluated at key points in the phased implementation plan outlined in the WSFP to confirm performance of the Sandy WWTP. The results of the biological process analysis showed that the planned improvements at the Sandy WWTP along with the staged construction of the Eastside MBR Facility will result in the facility meeting its permit through 2040, assuming all equipment operates as designed. The upcoming immediate needs improvements project will improve performance of key unit processes, including the aeration basins and the secondary clarifiers that had resulted in permit exceedances. In addition, increased capacity of the sodium hydroxide feed system was found to be key for meeting the ammonia permit limit. The phasing of the improvements to the Sandy WWTP outlined in Phase 2 of the WSFP should be implemented based on the observation of growth in the community that results in increased flow and load to the WWTP. A summary of the current and future design criteria for the Sandy WWTP can be found on Table 5-1 in TM-4.

As noted in the WSFP, the Eastside MBR Facility will be constructed under two stages. TM-4 provides a basis of design for the unit processes to be constructed including identifying design criteria and redundant equipment requirements. The Eastside MBR Facility will consist of headwork, membrane bioreactor, UV disinfection, and post-aeration. The headworks facility will consist of the three fine screens after Stage 2 construction, each with a rated capacity of 3.5 MGD with openings less than 2 mm. A single vortex grit removal system with a rated capacity of 7.0 MGD will be installed in Stage 1. The MBR will consist of a total of four trains; two trains will be installed during Stage 1 construction, and the remaining two trains will be installed under Stage 2. Four in-pipe UV disinfection systems will be installed to disinfect the secondary treated wastewater to discharge to the Sandy River or to meet either Class A Recycle Water standards for irrigation or discharge to Roslyn Lake. Finally, a post-aeration system will be installed to increase

the dissolved oxygen to 6 mg/L to meet the discharge effluent requirements that were identified in the preliminary anti-degradation analysis (TM-11). A summary of the design criteria can be found on Table 5-2 in TM-4. A preliminary layout of the Eastside MBR Facility is shown on **Figure ES-1**.

TM-5: Sandy River Temperature Evaluation

Technical Memorandum 5 (TM-5) is a deliverable under Task 4.2 of the DDAE program. This memo includes a review of potential impacts to temperature on the Sandy River due to effluent discharges from the proposed, new membrane bioreactor facility.

Part of the WSFP Continuing Planning Services project, TM-5 is an update to the memo prepared on May 22, 2019. This update provides the opportunity to review this topic with additional temperature data collected on the Sandy River, and updated estimates of river flows, effluent flows, and effluent temperatures.

The project team used new and updated data to review potential temperature impacts to the Sandy River from the proposed new Eastside MBR Facility. Results from this new review are consistent with those from 2019: the planned effluent discharge into the Sandy River will need thoughtful temperature design and management to meet regulatory temperature thresholds, especially as the community grows. Furthermore, this updated temperature review results in the following conclusions.

- Temperature will be one of the more challenging issues to address during the final design and National Pollutant Discharge Elimination System (NPDES) permitting process for the Eastside MBR Facility and Sandy River discharge.
- With population growth at the City and climate change, temperatures and heat load will increase, resulting in greater need for temperature management and likely more stringent regulatory controls.
- As summarized in TM-5, summer and fall discharges to the Sandy River (especially in the future) could result in violations of current regulatory temperature thresholds if temperature is not managed appropriately.
- The City will want to continue to work closely with the Oregon Department of Environmental Quality (DEQ) to better understand which regulatory thresholds will govern final design and permitting. There are currently several thresholds listed in the total maximum daily load (TMDL) study and in the Antidegradation Internal Management Direct (IMD).
- Likewise, the City will want to coordinate closely with DEQ on methodology for temperature reviews. For planning purposes, it was assumed that 1/4 of the Sandy 7Q10 River flows would mix with effluent (consistent with DEQ's point source temperature

reviews in the Sandy River TMDL). Other methodology could assume 100 percent of 7Q10 river flows for mixing and different temperature thresholds.

- Final NPDES permitting reviews of temperature will require outfall design, dilution modeling, and related mixing zone studies to better estimate mixing and dilution of effluent when it enters the Sandy River. The regulatory temperature thresholds would need to be met after the effluent mixes and travels to the defined regulatory mixing zone boundary.
- The DDAE planning study identified and recommended the Roslyn Lake site for discharging portions of the effluent (into constructed wetlands) during summer and fall periods to help eliminate/minimize temperature impacts to the Sandy River now and into the future.

TM-6: Sandy River Water Quality Sampling and Testing Program Summary

Technical Memorandum 6 (TM-6) contains a summary of 2019-2020 Sandy River water quality data collected in proximity to alternatives for the outfall location of the proposed Eastside MBR Facility. The City and DEQ hope to determine compliance with anti-degradation laws set forth in the Oregon Administrative Rules (OAR) regulated by the DEQ in the NPDES permitting process.

Murraysmith collected grab samples and Alexin Analytical Laboratories, Inc in Tigard, Oregon analyzed the samples in accordance with the Sampling and Testing Plan prepared August 7, 2019. Waterways Consulting, Inc installed temperature probes which recorded measurements on a 15-minute interval from July through October in 2019 and 2020. River discharge was estimated using instantaneous data from USGS Gages. TM-6 summarizes the findings for the following parameters: pH, bacteria, Biochemical Oxygen Demand (BOD), Chemical Oxygen Demand (COD), Total Suspended Solids (TSS), Total Dissolved Solids (TDS), Total Kjeldahl Nitrogen (TKN), ammonia, nitrate, nitrite, phosphorus, Total Organic Carbon (TOC), hardness, chromium, iron, temperature, and flow.

This ambient water quality data was used to inform design proposals such as outfall site selection as described in Technical Memorandum 7.1 (TM-7.1). The data will be used as the project moves forward to better understand the water quality characteristics of the Sandy River. In this memorandum, Murraysmith recommends continued water quality sampling on a quarterly basis to provide a robust dataset for these evaluations.

TM-7.1: Sandy River Outfall Siting Study

This technical memorandum is a summary of Task 5: The Sandy River Outfall Siting Study. The purpose of Task 5 is to review alternative discharge locations on the Sandy River for placing the outfall from the proposed Eastside MBR Facility.

The reviewers conducted desktop and field studies to evaluate key river characteristics that would make for a good outfall site including:

- River depth and velocity, to provide good water quality mixing conditions
- Channel geologic/geomorphic stability, so that the channel would not migrate away from the outfall over time
- Fish use for spawning/rearing/migration, to minimize fisheries impacts/concerns
- Distance from the new treatment plant, for pipe economy
- Outfall accessibility, for construction and operation and maintenance
- Related characteristics

Based on the results of Task 5 (The Sandy River Outfall Siting Study), the Ten Eyck Road and Revenue Bridge site is the recommended location for the new outfall. This site has several advantages over other alternatives.

- This river reach is dominated by bedrock, so the channel does not migrate in this area, providing for greater geomorphic stability and consistent outfall operating conditions.
- This reach of the river is deep and has reasonable velocity (providing greater dilution and dispersion) and good water quality mixing characteristics.
- The area has less public accessibility than river reaches near the park and less potential for vandalism (although that possibility needs to be considered during final design).
- This location is upstream from the Cedar Creek fish hatchery; therefore, there would be less potential for impacts to hatchery fish.
- This reach is used for anadromous fish migration, not spawning or rearing, so anadromous fish would just be passing through.
- This site seems to have the greatest agency support based on preliminary meetings.
- Revenue Bridge provides a good river crossing location for the effluent pipeline that would carry effluent to the Roslyn Lake area, where it could be reused for creating wetlands, as described in Technical Memorandum 9-10.

TM-7.2: Pipe Routing

Technical Memorandum 7.2 (TM-7.2) summarizes the evaluation and findings associated with routing the effluent pipeline from the proposed Eastside MBR Facility to potential discharge locations identified on the Sandy River, and a recommended pipeline route from the river up to Roslyn Lake. The memorandum includes a summary of route selection criteria and a summary of potential alternatives. The preliminary cost estimates presented in TM-7.2 are planning estimates

to be used solely for the purpose of a detailed discharge alternatives evaluation for the City. The memorandum also outlines, on a preliminary basis, pipeline routing considerations and conceptual design elements for the recommended route for the pipeline.

The purpose of the study is to determine a practical route for the effluent pipe relative to the selected outfall locations and assist with developing conceptual level costs estimates. The purpose of documenting the alternatives and the preferred route is to evaluate the feasibility of routing the pipeline along various alignments and identify the challenges and required engineering to develop a final pipeline route. Other key considerations to develop final alignment recommendations and final routing concepts include permitting, easement and property acquisition needs, geotechnical considerations, pipe material selection, detailed hydraulic analysis, and final designs associated with the effluent pipe. It is anticipated that these elements will be further evaluated in subsequent permitting and preliminary design phases of the project. An overview map of the pipeline routing alternatives is shown in **Figure ES-2**.

The team reviewed three options for routing the pipeline between the plant and the river (Segment 1) and three options between the river and the Roslyn Lake site (Segment 2). The alternatives were assessed relative to several criteria outlined above including construction at highway and bridge crossings, maintenance accessibility, system control, geological stability, opportunity projects, and the cost factors associated with each criterion. Based on the evaluation, the preferred route is Segment 1 Option 1.B and Segment 2 Option 2.B, as shown in **Figure ES-2**. This selected route extends through City right-of-way, through the City's Sandy River Park and across ODFW and private property to the Sandy River. Between the Sandy River and the Roslyn Lake site, it extends along County right-of-way. The estimated cost for this proposed pipeline is approximately \$12.8 M.

Additional data collection and analysis is recommended to verify the concepts presented in TM-7.2. Further evaluations should include geotechnical investigations, outreach to private property owners regarding easements, discussions with ODFW, ODOT, and the County to confirm routing, opportunity projects, and permit requirements.

TM-8 Water Recycling Market Assessment

Technical Memorandum 8 (TM-8) contains a summary of information collected during the Water Recycling Program Customer Outreach study as part of the City's Detail Discharge Alternatives Evaluation. The initial Water Recycling Program Customer Outreach conducted by Barney & Worth, Inc. (B&W) evaluated several sites to determine if a property or properties near the City or along the proposed effluent pipe route had the irrigation demands to take all or most of the effluent from the City's proposed Eastside MBR Facility. The goal was to find an irrigator or irrigators which could take effluent during the summer and shoulder seasons (late spring and early fall) to help minimize the flows to the Sandy River during these times of year. TM-8 provides an analysis which evaluates the options for providing recycled water to potential customers including the pumping requirements, pipeline alignments, and capital and lifecycle costs. Eight options were

initially considered relative to large irrigators and five options are considered for small use irrigators.

The purpose of TM-8 is to document the evaluation of potential options and opportunities to expand the City's successful water recycling program based on effluent from the Eastside MBR Facility.

Based on the analysis of cost and potential discharge rates, the large-scale irrigator sites did not show real market demand for the recycled water and required larger capital investments because of the longer pipeline lengths required between the main effluent piping routed to the Sandy River and the potential irrigation sites. The small-scale irrigator sites showed greater current irrigation utilization rates and required a much smaller capital investment due to the shorter pipeline lengths from the preferred pipeline alignments.

It is recommended to pursue a recycled water program for irrigators close to the preferred pipeline alignment. In TM-8, Murraysmith recommends the City establish a fair basis to extend recycled water to interested users based on the length of pipe required for service and the total supply of recycled water requested. Some of these potential users of the recycled water will require little capital investment to connect to the main pipeline and will benefit from the availability of recycled water. Additionally, irrigation use of the recycled water will help reduce discharges to the Sandy River during the critical dry months of the year.

TM-9 & 10 Indirect Discharge and Roslyn Lake Alternatives Site Review

This technical memorandum summarizes Task 7 of the Detailed Discharge Alternatives Evaluation: Indirect Discharge and Roslyn Lake Alternatives. The regulations surrounding indirect discharge (Technical Memorandum 9) and site reviews and analysis of indirect discharge (Technical Memorandum 10) are related. Thus, both aspects are summarized in this one document, Technical Memorandum 9 and 10 (TM-9 & 10).

Based on this review, it is anticipated that DEQ will regulate the proposed discharge to the Sandy River and the Roslyn Lake constructed wetlands through a single NDPES permit. DEQ currently regulates the City's discharge to Tickle Creek and the container nursery that way. It is not clear if DEQ will modify the existing Tickle Creek permit by adding the Sandy River and Roslyn Lake discharges, or if they will issue a new permit for the Sandy River and Roslyn Lake discharges.

The City has the opportunity to construct wetlands to beneficially recycle/reuse the high-quality effluent from the proposed Eastside MBR Facility. The Roslyn Lake site seems well suited for this approach and Trackers Earth (the property owner) is interested in partnering with the City on this type of a project. The project team will need to conduct further reviews of soils/infiltration and of existing wetlands and waterways on the Roslyn Lake property as the project moves into final design to better understand associated opportunities and constraints.

Based on these planning level reviews, the City would need to construct approximately 30 to 60 acres of wetlands and the construction cost would be approximately \$3 million to \$6 million dollars. See **Figures ES-3** and **ES-4** for a plan and profile view of the proposed wetlands concept.

TM-11 Anti-degradation Report

Technical Memorandum 11 (TM-11) describes the proposed Eastside MBR Facility and the proposed discharge into the Sandy River. The discharge into the Sandy River would constitute a new, permitted effluent discharge. Therefore, the proposed project is subject to a water quality antidegradation review (OAR-340-041-0026). Furthermore, since the proposed discharge would be to a water quality limited waterbody, the antidegradation review would follow the approach outlined for these waterbodies in the IMD for antidegradation reviews (ODEQ, 2001).

The purpose of TM-11 is to describe the proposed project and summarize the antidegradation review and findings. The following conclusions are based on the results of that review.

- The new Eastside MBR Facility would discharge into the Sandy River using a new pipeline and outfall. The final pipe alignment and outfall location are currently being determined.
- The Eastside MBR Facility would generate high-quality effluent using modern technology.
- The project engineers have evaluated the potential impacts from the proposed discharge using DEQ's methodology for evaluating discharges into the Sandy River from the Sandy River Basin TMDL (assuming 25 percent of the 7Q10 river flows mix with effluent).
- The antidegradation thresholds under review include: (1) no greater than 0.25 °F temperature increase, and (2) no greater than 0.1 mg/L decrease in dissolved oxygen, after mixing at the end of an assumed mixing zone.
- With estimated effluent flows from the Eastside MBR Facility for existing (2020) conditions, the discharge would not exceed the antidegradation thresholds for temperature or dissolved oxygen.
- With estimated flows from the Eastside MBR Facility for future (2040) conditions (as the community grows), the discharge would start to exceed the antidegradation thresholds for temperature and dissolved oxygen during the summer and fall months.
- The City proposes a temperature management plan where they would land apply a portion of the high-quality effluent during summer and fall to prevent possible thermal impacts to the river.
- The exact months and amount of effluent to be land applied will be determined during final design and through the NPDES permitting process.
- To prevent possible impacts to dissolved oxygen, the City proposes a DO management plan where they would land apply a portion of the effluent during the summer and fall, and also oxygenate the effluent as needed.

- The exact months and amount of effluent to be land applied will be determined during final design and through the NPDES permitting process.
- The review of other water quality parameters will occur, as needed, during the NPDES permitting process once a new outfall location has been identified and when mixing zone boundaries and estimated dilution are better known.
- Other environmental reviews for the project under local, state, and federal regulations will progress as the project moves from the planning to design phases.

DDAE Program Summary

The City is a growing community and has an aging existing WWTP and collection system. Based on growth and deterioration of the existing sanitary sewer system, the City's existing WWTP does not have adequate capacity to continue to serve the City. To address capacity issues in the system, the recent WSFP and continuing analysis associated with this plan recommend a new satellite treatment facility and a new year-round outfall to the Sandy River.

The City's DDAE Study provides an evaluation of discharge alternatives to the Sandy River for the proposed Eastside MBR Facility. It also included reviewing alternatives to the discharge to the Sandy River including irrigation potential and the potential to conveying raw sewage to WES and the City of Gresham WWTP which were found to be less cost effective.

The DDAE included development of concepts for the diversion pump station and the Eastside MBR Facility, furthering concepts for effluent pipeline routing and development of concepts for improvements at the Roslyn Lake site.

Based on analyses in the DDAES, it was found that, as the community grows, discharges to the Sandy River will start to exceed the temperature impacts threshold during the summer months. To address this, the DDAE assessed concepts for discharging to Roslyn Lake and reviewed these with the property owner of the former lake. The concepts involve constructed wetlands sized to accept the flows without discharge to downstream water bodies. The DDAE also reviewed 3 alternatives for effluent pipeline routing. The selected route extends through City right-of-way, through the City's Sandy River Park and across ODFW and private property to the Sandy River. Between the Sandy River and the Roslyn Lake site, it extends along County right-of-way.

The goal of the DDAE Study was to build on previous planning work to select an outfall location, assess the feasibility of discharging to the Sandy River relative to temperature and other impacts and evaluate the feasibility of discharging to the former Roslyn Lake site if there were limitations identified relative to discharges to the River. Following preliminary concept development and analyses, the City and the engineering team met with regulatory agencies to review the feasibility relative to the agencies perspective and identify potential issues relative to permitting. The agencies were in favor of the proposed outfall location and leveraging the Roslyn Lake site to minimize temperature impacts to the River. The team also reviewed the feasibility of discharging to the Roslyn Lake site with the property owner. There were several site visits and meetings with the property owner to outline preliminary concepts. The concepts of constructed wetlands and trail

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system were acceptable to the property owner. Additionally, the feasibility of routing the effluent pipeline through ODFW property and private properties was assessed. Based on discussions with ODFW and property owners, the proposed route appears to be feasible on a preliminary basis.

The DDAE Study evaluated alternatives and assessed the feasibility of preliminary concepts relative to the satellite facility, the outfall location and pipeline routing. The City has a program that includes acquiring permits, developing final design and eventually construction of the wastewater system improvements. The next steps following the DDAE Study include further assessments and analysis to further establish concepts outlined in the DDAE Study. These include further investigations at the Roslyn Lake site, the satellite facility, and diversion pump station sites and additional assessment of the pipeline routing to confirm routing and property owners' willingness to provide easements. There is significant permitting work to completed prior to final designs including acquiring an NPDES permit for the outfall, permitting associated with the Roslyn Lake site and permits associated with the effluent pipeline.



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MINUTES
City Council Meeting
Monday, March 15, 2021 6:00 PM

COUNCIL PRESENT: Stan Pulliam, Mayor, Jeremy Pietzold, Council President, Laurie Smallwood, Councilor, Richard Sheldon, Councilor, Kathleen Walker, Councilor, Carl Exner, Councilor, and Don Hokanson, Councilor

COUNCIL ABSENT:

STAFF PRESENT: Jordan Wheeler, City Manager, Jeff Aprati, City Recorder, Sarah Richardson, Community Services, Tyler Deems, Deputy City Manager / Finance Director, Mike Walker, Public Works Director, Shelley Denison, Associate Planner, Greg Brewster, IT/SandyNet Director, David Doughman, City Attorney, Emily Meharg, Senior Planner, and Kelly O'Neill, Development Services Director

MEDIA PRESENT: Sandy Post

1. MEETING FORMAT NOTE

The City Council conducted this meeting electronically using the Zoom video conference platform. A video recording of the meeting is available on the City's YouTube channel: https://www.youtube.com/channel/UCbYEclgC6VW_mV2UJGyvYfg

2. CITY COUNCIL WORK SESSION - 6:00 PM

2.1. Affordable Housing Options
ECONorthwest Presentation

Staff Report - 0389

Beth Goodman with ECONorthwest provided a presentation regarding policy options to create additional affordable housing units in the community. A memorandum detailing multiple policy strategies and their anticipated impacts was included in the agenda packet. Ms. Goodman's presentation slides were also included in the agenda packet.

Council Members asked clarifying questions with regard to the following issues:

- Housing supply and cost drivers in the local real estate market

- Income thresholds used to calculate assistance eligibility
- Strategies to ensure that affordable units are actually constructed within developments and intended goals are achieved
- Which of the policy tools discussed have proven most effective in other communities
- Whether additional multifamily units currently being planned and developed will help to address supply pressures

Additional observations were made regarding the Council's efforts to address affordable housing challenges over past years.

3. CITY COUNCIL MEETING - 7:00 PM

4. Pledge of Allegiance

5. Roll Call

6. Changes to the Agenda

7. Public Comment

(none)

8. Response to Previous Public Comments

The **City Manager** noted that the City is aware of the cost escalation of the Portland Water Bureau's project, and that bulk water purchases will be discussed at an upcoming work session in May.

9. Presentation

9.1. Grid Resilience / Emergency Management

Portland General Electric

Maria Pope (President and CEO), Bill Messner (Director of Wildfire Mitigation & Resiliency), Nick Loos (Director of Plan Renewable Operations), and Eric Underwood (Local Government Affairs Manager) of Portland General Electric delivered a presentation to the Council regarding electric grid resilience and emergency management. Their presentation slides were included in the agenda packet.

Council Members inquired about the following issues:

- The likelihood of future public safety-related power shutoffs
- Opportunities to collaborate in managing trees to minimize impacts on power infrastructure, while also realizing ecological benefits

- The extent of the damage caused by fires during September 2020
- Resiliency of the power grid and segmentation in case of damage
- Considerations related to solar farms and possible backup power storage

10. Consent Agenda

10.1. City Council Minutes

10.2. Pre-Purchase Equipment for Existing Wastewater Treatment Plant Condition Assessment Improvements Project

Staff Report - 0395

Moved by Don Hokanson, seconded by Laurie Smallwood

Approve the Consent Agenda

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

11. Ordinances

11.1. PUBLIC HEARING: Rogue Fabrication Zone Change

Ordinance 2021-04

Land Use File: 20-041

Staff Report - 0393

Abstentions

none

Conflicts of Interest

Mayor Pulliam noted his existing relationship with the applicant, but expressed his ability to remain neutral.

Ex Parte Contact

Councilor Exner noted that he visited the site. **Mayor Pulliam** noted that he spoke with the applicant generally about the project concept before any application was filed.

Challenges to the Hearing Body

none

Staff Report

The **Associate Planner** summarized the staff report. Her presentation slides were included in the agenda packet.

Applicant Presentation

The applicant provided additional detail regarding the proposed fabrication business, and the necessity of changing the zoning to make the enterprise feasible because of building design requirements. Additional explanation was provided on the construction phases, and the applicant noted that the City's Economic Opportunities Analysis calls for small scale manufacturing. He emphasized the living wage jobs he intends to create.

Public Testimony

In Favor

none

Opposed

none

Neutral

none

Council Discussion

The Council expressed appreciation for the applicant's proposal and celebrated the benefits anticipated to be realized in the community.

Moved by Jeremy Pietzold, seconded by Laurie Smallwood

Close the public hearing.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

Moved by Laurie Smallwood, seconded by Kathleen Walker

Approve the first reading of Ordinance 2021-04.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

Moved by Carl Exner, seconded by Jeremy Pietzold

Approve the second reading of Ordinance 2021-04.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

11.2. **PUBLIC HEARING: House Bill 2001 Code Amendments**

11 - 38

Ordinance 2021-03
Land Use File: 20-032 DCA

Staff Report - 0388

Abstentions

none

Conflicts of Interest

none

Staff Report

Sean Edging of the Department of Land Conservation and Development provided a presentation regarding the context, purpose, and requirements of House Bill 2001; his presentation slides were included in the agenda packet. The **Senior Planner** summarized the proposed code changes; her presentation slides are also attached to the minutes.

Public Testimony

In Favor

Roseann Johnson, Home Builders Association: supports the proposal to allow attached and detached duplexes, to increase the allowed size of ADUs, and to allow ADUs on the same lot as duplexes. Suggested also allowing attached townhomes as an outright permitted use.

Opposed
none

Neutral
none

Council Discussion

The Council asked clarifying questions about multiple elements of the proposed code amendments, including:

- Setback requirements for duplexes
- The concept of detached duplexes
- System Development Charges and potential effects on infrastructure and parks
- Development in flood and slope hazard areas

The Council expressed particular frustration at the infringement of home rule authority presented by the bill. It was noted that under this bill, essentially all residential areas in the city will allow multifamily dwellings. The Council discussed possible paths forward, including exploring whether any opportunity for discretion exists to mitigate the effects, potentially through lot size and parking requirements.

Given the complexity of the subject matter and the need to further consider the proposed changes, the Council decided to continue the public hearing to the April 19, 2021 meeting.

It was noted that while many of the proposed code amendments are required by the State, a number of others are discretionary. The Council's intention was to use the April 19th meeting to deliberate on the discretionary items in the proposed amendments, and to consider ordinance adoption in May ahead of the June deadline cited in the bill (after which, if no City action is taken, the State's model code will take effect instead). The Council's desire was to keep the record open to accept additional public testimony in the interim.

Moved by Laurie Smallwood, seconded by Carl Exner

Continue the public hearing to April 19, 2021.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,

Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

[Staff Presentation Slides](#)

11.3. **PUBLIC HEARING: Amending Title 13 of the Sandy Municipal Code**

Ordinance 2021-02

Staff Report - 0385

The **Public Works Director** summarized the staff report, noting that the Council had reviewed the proposed changes on February 1st and staff had made edits based on the feedback provided. The primary impetus for these amendments is the upcoming work on private sewer laterals; a component of the City's Wastewater System Improvement project.

Moved by Jeremy Pietzold, seconded by Richard Sheldon

Approve the first reading of Ordinance 2021-02.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

Moved by Carl Exner, seconded by Richard Sheldon

Approve the second reading of Ordinance 2021-02.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

12. New Business

12.1. **Tickle Creek Village Trail Easement / Fee in Lieu Proposal**

Staff Report - 0394

The **Recreation Manager** summarized the staff report. The owner of the Tickle Creek Villages property proposed dedicating the wetland area to the north of the development site to the City in exchange for compensation in the form of Fee in Lieu credit, as well as providing a trail easement in exchange for Fee in Lieu credit.

The Council raised a variety of questions about the property and proposal, including:

- The depth of the wetlands
- Animal life present at the site
- Accessibility of adjacent properties
- Possible connection to the Tickle Creek Trail
- Integration with the Parks Master Plan Capital Improvement Plan
- Other possibilities for spending System Development Charge funds
- Possible ecological opportunities related to acquiring the wetlands

Particular concerns were raised regarding the following topics:

- The durability of a wood chip trail, given the climate
- The owner's desire to retain ownership of the trail
- The possibility of challenges related to homelessness

Moved by Kathleen Walker

Decline the purchase of the wetland property and require trail construction per the Final Order.

(motion not seconded)

Moved by Richard Sheldon, seconded by Don Hokanson

Deny the property owner's request.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

12.2. **Contract Approval: Owner's Representative Services for Phase 1A Wastewater System Improvements**

Staff Report - 0391

The **City Manager** summarized the staff report.

Moved by Laurie Smallwood, seconded by Richard Sheldon

Approve the contract for owner's representative services.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

13. Report from the City Manager

The **City Manager** noted the forthcoming American Rescue Plan funding opportunity. He stated that staff plans to rescind the practice of refraining from water shutoffs for non-payment; a practice that begun with the start of the COVID-19 pandemic. The Council expressed its desire that staff differentiate between utility customers who are truly unable to pay, versus those who may have simply chosen not to pay. The **City Manager** thanked the Council for their dedication during the multiple recent meetings.

14. Committee /Council Reports

Councilor Sheldon: none

Councilor Exner: none

Councilor Walker: thanked the **Mayor** for sending information regarding homelessness.

Councilor Hokanson: thanked the **Associate Planner** for her staff report on the zone change; noted room for improvement on the staff report for Tickle Creek Village.

Councilor Smallwood: none

Council President Pietzold: cited the funding opportunities in the new federal relief bill, including funding for water, sewer, and broadband infrastructure.

Mayor Pulliam: stated the City should strategically consider what to request relief funding for. Celebrated the success of the Covered Structures Program. Urged staff to be prepared for upcoming demonstrations in the community. Mentioned possible strategies for addressing homelessness.

15. Staff updates

15.1. [Monthly Reports](#)

16. Adjourn

17. CITY COUNCIL EXECUTIVE SESSION

The City Council met in executive session pursuant to ORS 192.660(f) and (h) following

the adjournment of the regular meeting.

Mayor, Stan Pulliam

City Recorder, Jeff Aprati

Draft

HB 2001 CODE AMENDMENTS
Chapters 17.10, 17.30, 17.34, 17.46,
17.54, 17.74, 17.82, 17.86, 17.98, and
17.100 Code Modifications

City Council
March 15, 2021

HB 2001 Code Amendments Overview

- Primary goal: to amend the Development Code in compliance with House Bill (HB) 2001.
- HB 2001 requires medium-sized cities to allow attached duplexes anywhere a detached single-family residence is allowed and prevents cities from applying more restrictive development standards to duplexes than what is applied to single-family residences (SFRs). This includes design standards, parking requirements, and density thresholds.
- The bill also prevents cities from applying minimum parking standards and owner occupancy requirements to ADUs.

Chapter 17.10 – Definitions

Summary of Changes

- Discretionary item: Clarified the definition of “accessory dwelling unit” to allow an ADU on the same lot as a duplex.
- Discretionary item: Clarified the definition of “building types, multi-family dwelling” to specify that an ADU and duplex on the same lot are not considered multi-family for the purposes of the multi-family design standards in Section 17.90.160. *(Note: This proposed modification is only needed if Council decides to go with the Planning Commission’s recommendation to allow an ADU on the same lot as a duplex.)*

Chapter 17.30 – Zoning Districts Summary of Changes

- Legislatively required: Added a clause stating that duplexes shall be counted the same as an SFR for the purpose of calculating density.

Chapter 17.34 – SFR Summary of Changes

- Legislatively required: Added “duplex” as a primary use permitted outright.
- Legislatively required: Removed “duplex” as a minor conditional use.
- Legislatively required: Amended references to “single detached dwelling” for minimum lot area and minimum average lot width to read “single detached dwelling or duplex.”

Chapter 17.46 – Village Commercial (C-3) Summary of Changes

- Legislatively required: Revised residential primary uses permitted outright to include duplexes above, beside or behind a commercial business.

Chapter 17.54 – Specific Area Plan Overlay Summary of Changes

- Legislatively required: Updated the table in Section 17.54.80 so that duplexes have the same standards as SFR.
- Legislatively required: Updated language in 17.54.100(E) to reference Chapter 17.100, Land Division, for standards related to private drives that treat duplexes the same as SFRs.
- Administrative change: Added duplexes to the SFR design standards in Section 17.54.110 and referenced Chapter 17.90 for design standard calculation for SFRs and duplexes for consistency in review and streamlining reviews.

Chapter 17.74 – Accessory Development Summary of Changes

- Legislatively required: Updated off-street parking standard for a an ADU to be “no minimum.”
- Legislatively required: Deleted text related to ADU occupancy limitations.
- Legislatively required: Revised ADU design standards and additional requirements to be clear and objective.
- Discretionary item: Increased maximum square footage of an ADU to 800 square feet.

Chapter 17.82 –Transit Streets Summary of Changes

- Legislatively required: Exempted SFRs converted to duplexes on a flag lot where the driveway approach to the flagpole is on a transit street and the lot does not have additional frontage on a second transit street from the standards of Sections 17.82.20(B and C).
- Discretionary item: Exempted SFRs and duplexes on a flag lot where the driveway approach to the flagpole is on a transit street and the lot does not have additional frontage on a second transit street from the standards of Sections 17.82.20(B and C).

Chapter 17.86 – Parkland and Open Space Summary of Changes

- Administrative change: Clarified the parkland fee-in-lieu calculation for duplexes and conversions that add additional units.
- Discretionary change: Assigned a “total persons per unit” of 2 for each duplex dwelling unit for calculating required parkland dedication. (Total duplex would be 4; SFR is 3, for reference.)

*Required parkland dedication (acres) = (proposed units) x (persons/unit) x
0.0043 (per person park land dedication factor)*

Chapter 17.98 – Parking, Loading, & Access Summary of Changes

- Legislatively required: Reduced minimum number of required off-street parking spaces for duplexes to 1 per dwelling unit (or 2 total) to match the 2-parking space minimum for SFR.
- Legislatively required: Revised code language so driveway requirement for a duplex is the same as for an SFR.

Chapter 17.98 – Parking, Loading, & Access Summary of Changes

- Legislatively required: Revised residential on-street parking requirement to be the same for a duplex as for an SFR.
- Legislatively required: Exempted ADUs and conversion of an SFR to a duplex from the on-street parking standard.
- Administrative change: Exempted multi-family from the on-street parking standard. When the on-street parking standards were written in the code, multi-family was never intended to be included. But since it is not clearly stated and we have received past inquiries/questions we want to add clarity in the code.

Chapter 17.100 – Land Division Summary of Changes

- Legislatively required: Revised residential shared private drive language to reference required off-street parking spaces rather than dwelling units so that duplexes are treated the same as SFRs.

Discretionary Discussion Topics

ADU & Duplex

- HB 2001 does not require a city to allow both a duplex and an ADU on the same lot, but a city can allow both if they choose.
- *Recommendation: The Planning Commission recommended allowing a duplex and an ADU on the same lot, and the definition of ADU in Chapter 17.10 has been updated accordingly.*

ADU + Duplex Design Standards

- If Council decides to allow both an ADU and a duplex on a single lot, the three units would technically qualify as multi-family per the definition of multi-family in Chapter 17.10. Staff proposes updating the definition of multi-family to exempt an ADU and duplex on the same lot from the multi-family design standards in Section 17.90.160.
- *Note: This change was identified by staff after the Planning Commission hearing so the Planning Commission did not make a recommendation.*

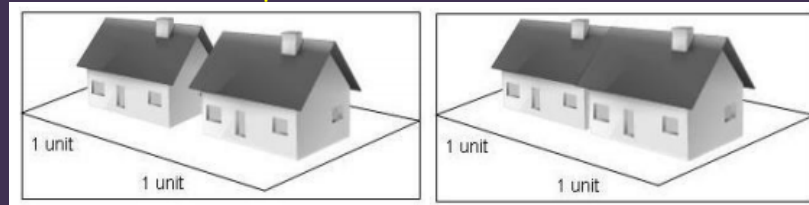
Detached Duplexes & Middle Housing

- HB 2001 requires cities to allow attached duplexes wherever detached SFR are allowed. It is up to each city whether to also allow detached duplexes. The existing Development Code allows both attached and detached duplexes where SFRs are allowed, except in the SFR zone. The proposed code amendments will allow duplexes outright in the SFR zone in conformance with HB 2001; however, a city can decide whether to allow both detached and attached duplexes in the SFR zone.
- A city may also allow additional middle-housing options (triplexes, four-plexes, cottage clusters, etc.) if they choose.
- *Recommendation: The Planning Commission recommended continuing to allow both attached and detached duplexes in all zones that permit SFRs but did not make a recommendation to allow additional middle-housing options in zones that don't currently allow them.*

Detached Duplexes & Middle Housing

Detached Duplex

Attached Duplex



Triplex

Fourplex

Cottage Cluster

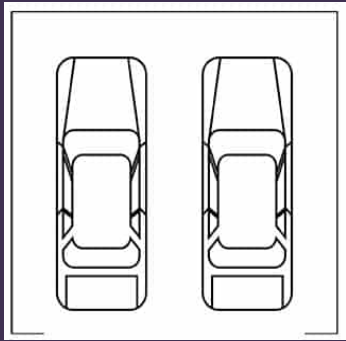


Parking Layout

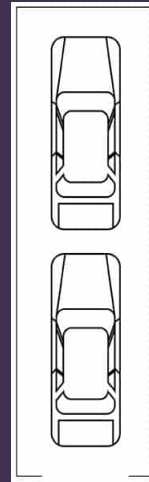
- HB 2001 does not allow a city to require more off-street parking spaces for a duplex than for an SFR. This means that the maximum number of off-street parking spaces for a duplex is 2 total (not 2 per unit as written in the existing code). However, a city may require that these spaces shall be side-by-side, and not tandem.
- *Note: The Planning Commission did not make any recommendations regarding parking layout.*

Parking Layout

Side by side parking



Tandem parking



Duplex Design Standards

- HB 2001 does not allow a city to apply more restrictive design standards to a duplex than to an SFR; however, HB 2001 does not require a city to apply design standards to duplexes. A city may decide to not apply design standards to a duplex if they choose. The existing Development Code applies the same design standards to SFRs and duplexes (Section 17.90.150), in compliance with HB 2001. Staff clarified Section 17.54.110(B) such that the design standards for the BVO will apply to both SFRs and duplexes.
- *Recommendation: The Planning Commission did not recommend removing design standards from duplexes. (Note: The Planning Commission did not review the proposed code changes to Chapter 17.54 as these were identified as needing to be updated after the Planning Commission hearing.)*

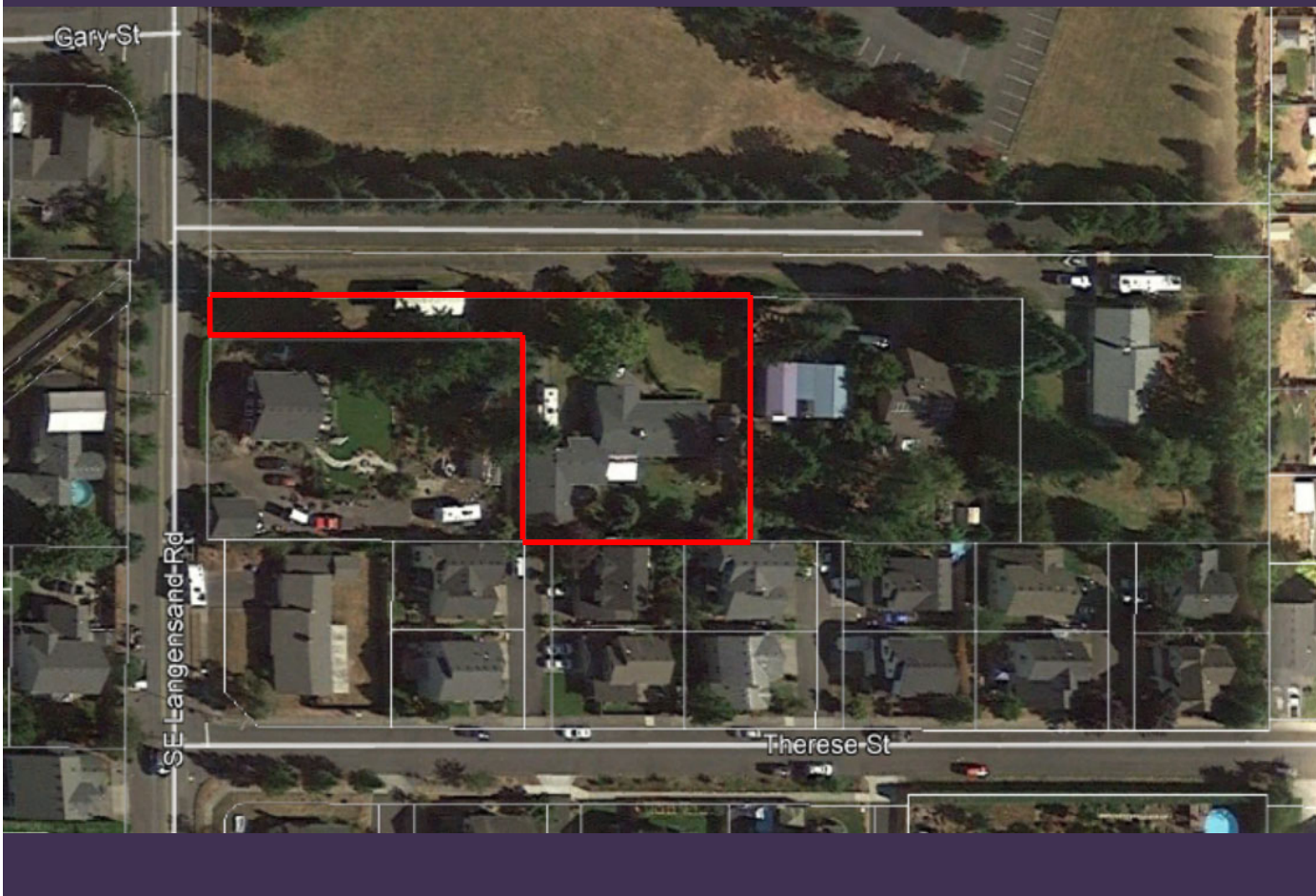
ADU Square Footage

- Though not required by HB 2001, staff recommends increasing the maximum square footage of an ADU from 600 to 800 square feet. Increasing the maximum square footage of an ADU may indirectly support HB 2001 by encouraging more people to build ADUs.
- *Recommendation: The Planning Commission recommended increasing the maximum square footage of an ADU from 600 to 800 square feet.*

Flag Lot Transit Street Requirements

- In accordance with the existing Development Code, conversion of an SFR to a duplex on a flag lot on a transit street would trigger additional requirements in Chapter 17.82 regarding orientation of the dwelling unit and connection to the sidewalk. Staff proposed exempting conversion of an SFR to a duplex from the standards in Section 17.82.20(A and B), which would be required by HB 2001.
- In addition, staff is recommending exempting SFRs and duplexes from the standards in Section 17.82.20(A and B), which is not required by HB 2001, based on the reasoning that requiring a separate pedestrian walkway adjacent to a paved flag seems redundant and would result in increased impervious surface and potentially stormwater movement on to abutting properties.
- *Recommendation: The Planning Commission recommended keeping the exemptions as proposed by staff.*

Flag Lot Transit Street Requirements



Hazard Areas

- HB 2001 contains an exception to the middle housing requirements for areas subject to natural hazards, including flood hazard and other hazards. The City is not required to modify Chapter 17.60 based on the exception, provided the adopted ordinance includes findings related to the hazard. Staff does not recommend broadening permitted uses in the Flood and Slope Hazard (FSH) overlay district and, therefore, recommends not including the Chapter 17.60 modifications.
- *Note: This exemption was identified after the Planning Commission hearing.*

Parkland SDC

- HB 2001 requires local governments to consider ways to increase the affordability of middle housing, including considerations related to System Development Charges (SDCs), property tax exemptions, and construction taxes, but doesn't require cities to adopt those policies at this point. Currently, the calculation for the City's land component portion of the parks SDC, including the fee-in-lieu option, is contained in Chapter 17.86.
- Currently, a duplex would fall under the SFR row of the parkland calculation table, but it is not clearly stated in the code. Staff added a "duplex" row to the parkland calculation table and assigned a slightly reduced person per unit (2 per duplex unit (i.e., 4 total); SFR is 3).
- *Note: The Planning Commission did not review the proposed code changes to Chapter 17.86 as these were identified as needing to be addressed after the Planning Commission hearing.*

Additional HB 2001 Consideration

- HB 2001 requires local governments to consider ways to increase the affordability of middle housing, including considerations related to SDCs, property tax exemptions, and construction taxes.
- The City has hired ECONorthwest to put together a housing strategy memo, which includes information about potential policies that could be implemented to address the City's housing needs, including but not limited to property tax exemptions, waiving or deferring SDCs, and construction taxes. Council held a work session on the memo earlier tonight (March 15, 2021).

Recommendation

- Staff recommends the City Council hold a public hearing, take public testimony, and provide staff feedback on discretionary items so that staff can return with revised code language, an ordinance, and findings at an April or May City Council meeting.
- Staff recommends adopting the code changes prior to June 2021 so that the City of Sandy is in compliance with the mandates of HB 2001. If the City does not adopt code amendments in compliance with HB 2001 with an effective date of June 30, 2021 or earlier, the state's model code will go into effect in Sandy on July 1, 2021.



Staff Report

Meeting Date: April 5, 2021

From Sarah Richardson, Community Services

SUBJECT: Policy for Pesticide Use in City Parks

BACKGROUND:

Over the last year, the Parks and Trails Advisory Board has discussed the City's use and policy for spraying specific pesticides in City parks. The Board has received feedback and questions from concerned residents.

The Board requested the Staff Liaison work with Parks Maintenance to develop a formal policy. Such a policy would serve to provide consistency in the application of the pesticides and assist with training. The Board has asked for a simple, yet specific policy, that clearly communicates the City's use of pesticides. In collaboration with the Park Superintendent, a formal policy has been drafted for Council's consideration. Among other elements, the policy communicates to the public what materials are used in City parks, and specifies how the public should be notified of areas to be sprayed.

The Board formally approved the proposed policy at its December 9, 2020 meeting and forwarded its recommendation for Council adoption. The Board views this pesticide policy as a living document and anticipates it will be reviewed and expanded in the future.

RECOMMENDATION:

The Parks and Trails Advisory Board recommends that the Council adopt the proposed pesticide management policy.

In addition, with ongoing concerns about the health effects from toxic chemicals and the long term effects upon humans, animals and the environment, the Board would like to encourage the City to move toward additional measures to reduce and eliminate the need for the use of pesticides. Future park planning and budgeting can help reach this goal.

SUGGESTED MOTION:

"I move to approve the proposed pesticide management policy"

LIST OF ATTACHMENTS/EXHIBITS:

- Proposed Pesticide Management Policy



39250 Pioneer Blvd.
Sandy, OR 97055

City of Sandy Weed and Invasive Plant Management – Pesticide Use

Policy defines the management of weeds in parks and turf areas and the use of selective herbicides.

No pesticides, other than herbicides, are currently in use in city parks.

Provides specific policy-based direction for Weed and Invasive Plant Management.

Goal of the policy is to maintain park and turf areas for their intended use.

Considerations: The use of herbicides in parks requires their application to sites that have direct public uses, often involving children and pets. These applications are carefully planned to allow for adherence to the label directives, and to minimize any potential impact on all users.

Management

- a. Bark dust, string trimmers, hand tools and hedge trimmers are used whenever possible to control weeds and limit the use of Herbicides.
- b. Herbicides are used for spot spray (targeted) treatment only. *Spot treatment means that individual weeds are being treated directly or in spots, rather than applying to the entire area.*

No large turf areas are sprayed.

Scheduling

Time of day:

- a. As early in the day as possible to avoid public use, high temperatures, and wind.
- b. Applications shall be timed to coincide with the ideal time for weed control. Typically, during the spring and fall months, where weed growth is most active.

Signage

Signage shall be used to inform park users approaching the area to be sprayed.

- a. Signage will include main entrances to the park scheduled to be sprayed, and in the targeted area to be sprayed.
- b. Signs shall be maintained for a minimum of 48 hours, and longer if the area sprayed is not completely dry.
- c. Signs used in the targeted area will include date, time, product used.

Drift

Minimizing drift is critical in application.

- a. Backpack sprayers are preferred. No large, motorized sprayers will be used.
- b. Applications shall cease if any drift inducing condition becomes apparent.
- c. Wind must be below 8 miles per hour as measured by a wind speed device.

Targeted Applications

Spot spraying for weeds will be employed.

- a. Applications shall be focused on the target weed only.

Use around Community Gardens

Garden plots produce edible crops that necessitate special constraints in managing weeds.

- a. No spraying within 25 feet from the outside perimeter of a Community Garden site.
- b. No use within the garden site.

Use around Playgrounds

The deep surface layers (wood chips for example) that serve as a safety cushion for falls also act as effective weed control and reduce the need for other active weed control measures within the border of the playground area.

- a. Herbicides will not be used to control vegetation within the defined border of play areas or their margins, including the defined border of the play area.
- b. Mulch/surface layers that have broken down over time and provide a medium for good weed growth shall be replaced or amended with fresh surfacing/chips.
- c. String trimmers will be used to control weeds around the perimeter/border of playgrounds. No herbicides or pesticides will be used.

Dog Parks

Ideally herbicide use shall be as infrequent as possible and take place when dogs and people are not present.

- a. When herbicides are to be used inside fenced off leash dog parks or along the interior or immediate exterior of their fence lines, the dog park will be closed.
- b. Closures shall be maintained until the reentry requirements as mandated on the product label have been satisfied.

Waterways

The sensitive nature of waterway habitat requires a buffer zone and managing drifts is important in these sensitive areas.

- a. Requires a buffer zone of 25 feet in width on the sides of a stream or other body of water.
- b. Measurement begins at the edge of the water line at the time of application.
- c. Spray applications shall not be applied when wind speed is above 5mph and wind activity would carry product toward, or deposit them upon, open water.
- d. No herbicides are used in any body of water, ponds or along streams.

Record Keeping

All regular application record keeping requirements will be adhered to for all applications.

This includes:

- Date and time intervals of the application
- Temperature and wind conditions
- Location of application
- Materials used, concentrations used, amount applied
- Applicator information

All herbicides are applied in a safe manner in compliance with Environmental Protection Agency (EPA) regulations. The City only uses herbicides that are legally registered by the EPA and applied in compliance with EPA regulations.



Staff Report

Meeting Date: April 5, 2021

From Jordan Wheeler, City Manager

SUBJECT: Wastewater Rate Model and Funding Plan Update

BACKGROUND:

In [November 2020](#), the City Council received an update on the city's rate model and funding plan and proposed rate increases for the Wastewater System Improvements Project. In December 2020, the Council decided at that time to move back the timing on the planned rate increase until 2021 in response to the coronavirus pandemic. With the delay, staff has continued to work with our consultants, engineers, and financial advisors to update the rate model and funding plan with the most recent information as the project has progressed.

Additionally, in January 2021, [the city was invited by the EPA to submit an application for the Water Infrastructure Finance and Innovation Act \(WIFIA\) loan](#). This means we are now incorporating the WIFIA loan in rate modeling assumptions.

Even with the WIFIA loan, the city needs to provide a non-federally funded match and secure additional debt financing sources such as Revenue Bonds, Clean Water State Revolving Fund Loans, and the Full Faith and Credit Obligation for the private sewer laterals. The Wastewater System Improvements Project is a massive capital investment that will require rate increases in order fund the project and service the debt. Rate discipline (implementing regular rate increases as planned) is important factor for the city to maintain credit worthiness for bond rating companies and the EPA in order to meet our obligations for the WIFIA program.

Our financial consultants from FCS Group will be presenting the updated rate model to the City Council with the proposed wastewater rate increase. In addition, our consultants who are helping us with the EPA WIFIA application will be attending to provide information about WIFIA and the application process.

Wastewater System Improvement Project Overview and Update

The wastewater system improvement project will address our system's significant deficiencies and challenges with reliably meeting our permit requirements. The city's aging infrastructure at the existing wastewater treatment plant has degraded treatment performance, and the aging collection system experiences high infiltration and inflow into the sewer pipes. Our treated wastewater currently discharges to Tickle Creek, a small stream with limited capacity and stringent regulatory oversight. Tickle Creek is

subject to the Oregon Department of Environmental Quality's (DEQ) Three Basins Rule, which prohibits discharge increases regardless of treated wastewater volumes.

Because of these challenges, Sandy's wastewater system is subject to an Oregon DEQ Mutual Agreement and Order for violating permitted discharge levels during the permitted season, and for discharges during the unpermitted season. The completed and adopted Wastewater System Facilities Plan outlines the corrective measures the city is taking to address our wastewater system needs.

The project involves a multi-year, multi-phased system-wide upgrade and expansion to achieve compliance with Sandy's NPDES permit, further protect water quality, and plan for a growing community. The project has four major elements:

- **Collection System Improvements:** Rehabilitation of approximately 55,000 feet of aging pipelines in the two worst leaking basins in the collection system. These improvements will reduce the volume of water treated and discharged from the WWTP, while also reducing the risk of sanitary overflows. The City has contracted with Oxbow Construction for this work. The pipes have been scoped and the design is complete. The Guaranteed Maximum Price for the construction work will be presented to Council on April 19 for approval.
- **Existing Treatment Plant Improvements:** This work includes replacing aging treatment equipment and installing new equipment at the plant in order to achieve permit compliance. The upgrades will improve treatment performance and energy efficiency. West Yost preliminary design report was completed this summer and the City Council will be considering approving the engineering contract on November 16.
- **New Membrane Bioreactor (MBR) treatment plant and Diversion Pump Station:** The construction of new state of the art treatment plant will expand treatment capacity and produce Class A recycled water. The new plant will treat approximately 50% of flows and be designed for future expansion to accommodate Sandy's growing population.
- **New Outfall and Effluent Pump Station:** The construction of new pipes and pump station from the MBR treatment plant that will discharge high-quality effluent to the Sandy River, which has a greater assimilative capacity than Tickle Creek. The new facilities will be designed to accommodate long term needs for expanded treatment capacity. This element of the project includes exploring the construction of wetlands to reduce the discharge volumes into the Sandy River and offset any long term temperature impacts. The city is working with DEQ on the process for a new NPDES permit for the Sandy outfall and will be issuing an RFP for permitting assistance and alternative assessments on temperature mitigation strategies.

The city is currently working on phase 1A of the project which includes the collection system improvements in sewer basins 2 and 8 and the priority improvements to the existing wastewater treatment plant. This phase is predominantly being funded by a Clean Water State Revolving Fund planning and construction loan.

Upcoming Work and Next Planning Steps

The City Council will be receiving the reports and presentation on the Detailed Discharge Alternatives Evaluation from Murraysmith on April 5. The Evaluation, funded by the State, looked at alternatives to a Sandy River discharge such as expansion of the recycled water program, researched location options for the Sandy River outfall, completed temperature and degradation analyses, and included the feasibility of the temperature mitigation strategy of constructing wetlands at the former site of Roslyn Lake.

The city is working with our owner's representative, Leeway Engineering Solutions, to develop an RFP for a consultant to assist the city with our Sandy discharge permitting efforts. Secure a new NPDES permit for the Sandy River Discharge is next on the critical path to . As part of that work, the consultants will further analyze the options for mitigating the potential temperature exceedances that are projected to occur until 2040. Those mitigation measures could include constructing wetlands at Roslyn Lake, building chillers, or other alternatives.

Updated Rate Model

The utility rate model is a financial planning tool that outlines needed wastewater rate increases based on the operating and capital improvement budgets, and assumptions regarding debt financing for the wastewater system improvements project (Clean Water State Revolving Fund loan and WIFIA loans, and Revenue Bonds). An objective is to ensure that the city's revenue will cover our minimum debt coverage ratios (1.5 coverage ratio), fund balance minimums, and cash flow for operations and capital expenses.

In December, consultants presented two scenarios for the projected rate increases (with WIFIA and without WIFIA). The updated rate model now assumes WIFIA as a major funding source as well as Revenue Bonds and the SRF loan funding. The first Revenue Bond (debt financing that is secured by the utility fees) is still planned to be issued in next fiscal year 2021-22.

On the expense side, the model incorporates the most recent cost project cost estimates, budgets, revenue estimates with the next rate increase effective July 1, capital spending schedule, WIFIA terms and drawdown, and financings. The model also includes an estimate for the Roslyn Lake constructed wetland. Extending the pipe from the preferred Sandy River discharge at Revenue Bridge and constructing the wetlands is estimated at \$15 million. All costs have also been escalated by a cost inflation factor.

One unknown variable is if the city was successful in receiving additional state or federal funds via state appropriation or earmarks or federal infrastructure funding.

These funds would reduce future rate increases as the amount of debt financing would decrease.

The proposed rate increase is 15% and would be effective July 1. The 15% increase would result in a base fee increase of \$3.09 and volume charge increase of \$0.79/ccf per month for residential customers.

The consultants from FCS Group will be again be presenting the rate model updates and proposed rate increase.

WIFIA Application Process

In January, the City was informed that we were one of 54 agencies across the country to be selected by the Environmental Protection Agency (EPA) to submit a full application to receive a Water Infrastructure Finance and Innovation Act (WIFIA) loan. City staff and the consultant team have already been meeting with the EPA team in preparation of the application submittal.

WIFIA loans provide favorable terms including low interest rates, flexible installments, no interest accrual on undisbursed funds, and an extended repayment period that includes deferred repayments until 5 years after project completion. This allows the city to reduce and spread out the

The City has been invited to submit an application for assistance up to \$33,445,100 (or an amount not to exceed 49% of the total eligible project costs). The City estimates that WIFIA financing will save the community at least \$13 million through 2040.

The city hired Barney Worth and Kevin Hanway to manage the city's WIFIA application process. Kevin and his team have experience with the WIFIA program and were instrumental in the city's successful letter of interest. Kevin will be attending the Council meeting to provide a brief overview on the WIFIA program and the application process.

RECOMMENDATION:

Staff recommends the Council receive the presentation on the updated rate model, discuss, and provide direction for staff to bring back the proposed rate increase for a public hearing and adoption for implementation July 1, 2021.

LIST OF ATTACHMENTS/EXHIBITS:

1. Wastewater Rate Model Presentation, April 2021
2. WIFIA Overview Presentation

City of Sandy Sewer Rate Update



**Presented to the Sandy City
Council**

Monday, April 5, 2021

Prepared by FCS GROUP





Key Assumptions

Annual Cost Inflation

- Personnel: 2.11%
- Materials & Equipment: 1.56%
- Transfers: 1.56%
- Services: 1.56%
- Interest: 2.75%

Annual Growth Rate

- 2.8% per year

Operating Forecast

- Rate revenue based on actuals and the BN 19-21 budget, escalated by the anticipated customer growth
- Operating costs and non-rate revenues based on BN19-21 budget, adjusted for inflation in future years

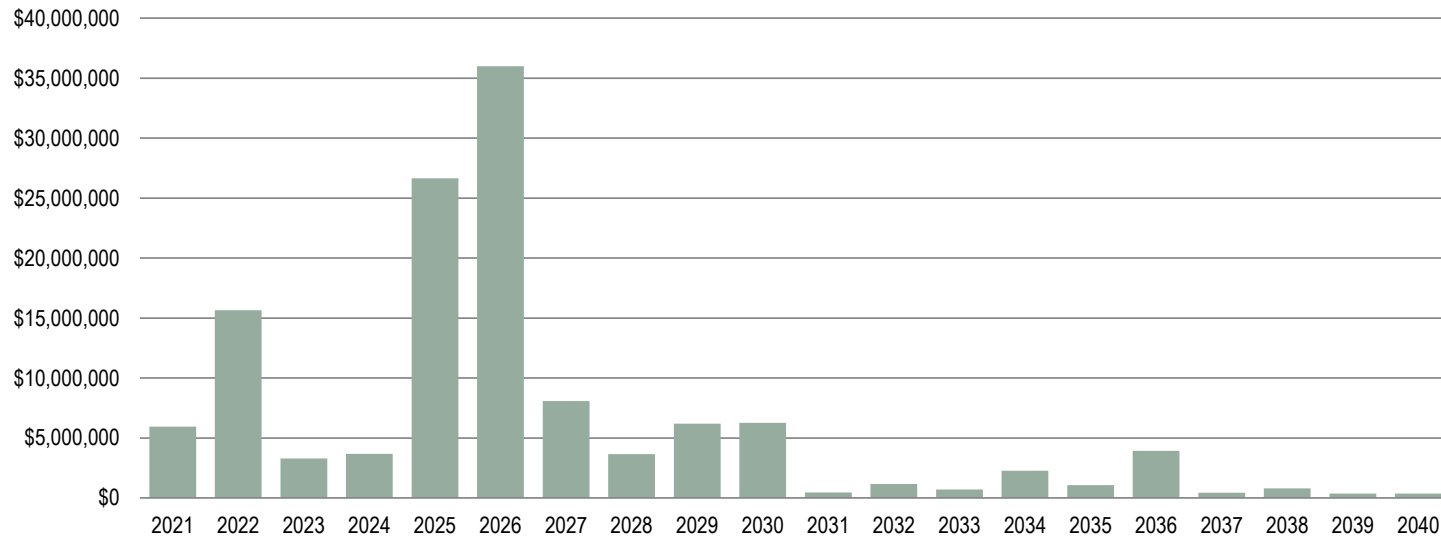
Financial Policies

- Min. Fund Balance Target: 45 days of O&M
- Annual system reinvestment funding



Capital Needs Forecast

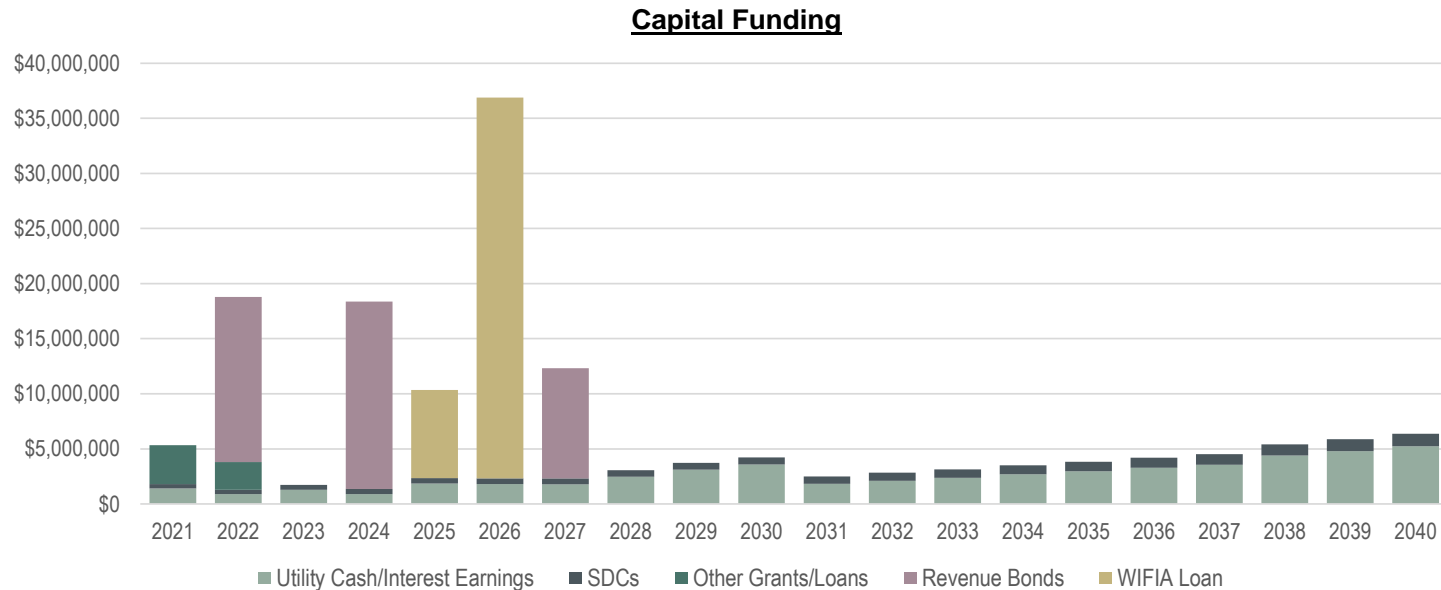
Capital Spending (Escalated)



- **\$86.8 million in WIFIA-related projects from 2020 to 2026**
 - » \$18.9 million for Roslyn Lake Wetlands and Force main in 2026
- **\$40.2 million in other projects from 2020 to 2040**
- **\$127.0 million in total projects from 2020 to 2040**



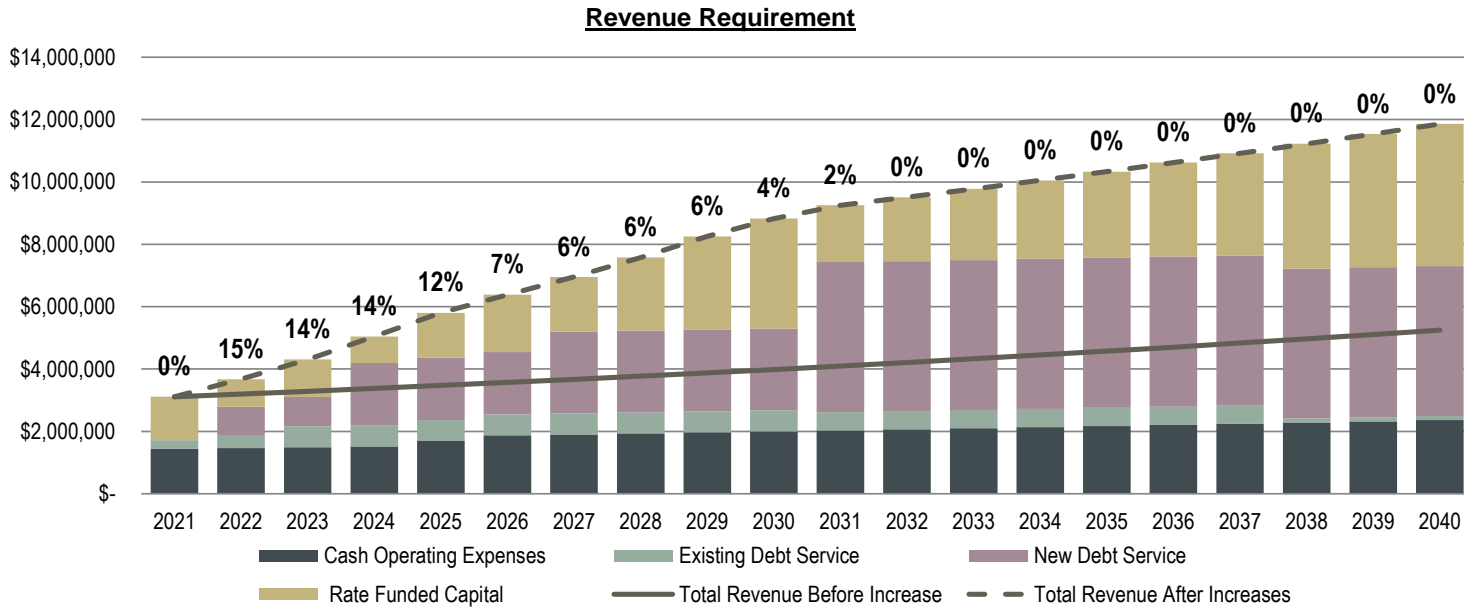
Capital Funding Assumptions



- **\$42.0 million in revenue bonds between 2020 and 2027**
- **\$42.5 million in WIFIA financing between 2025 and 2026**
- **Other loans, SDCs, utility cash, and interest earnings make up the difference**

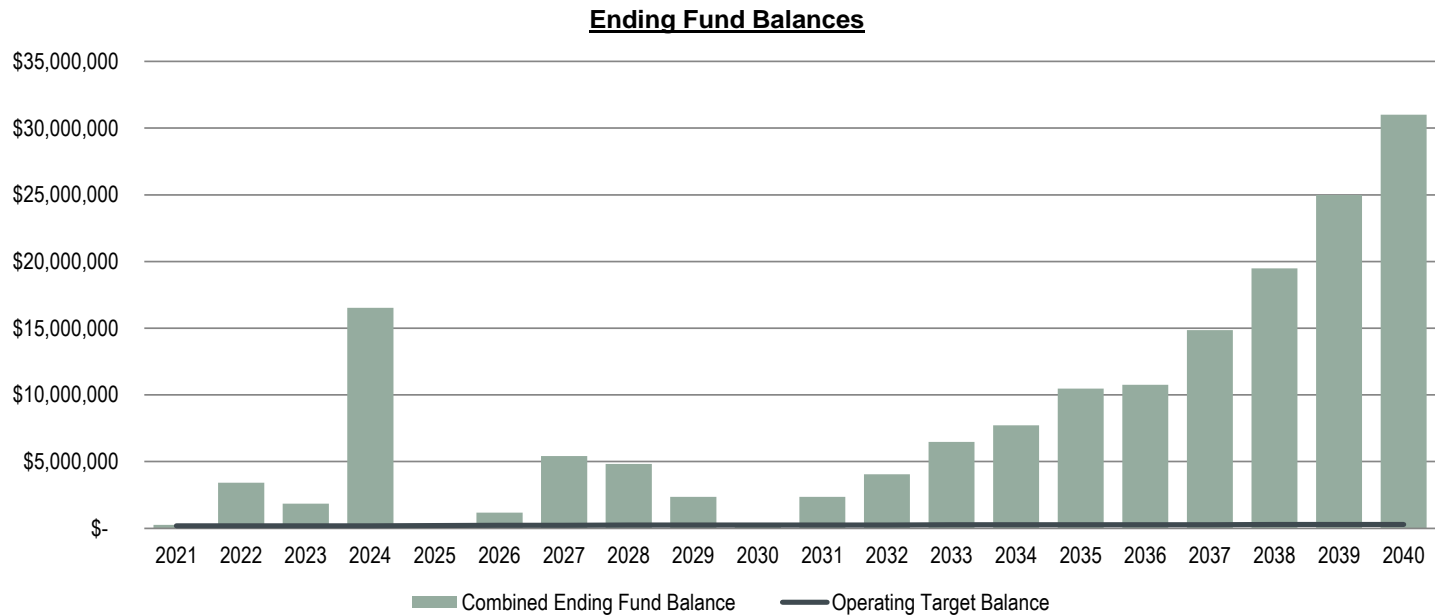


Revenue Requirement Forecast



- **Rate increases are required to keep with up debt service, coverage requirements, and the cash-funded portion of the CIP**

Fund Balances



- **Fund balance spikes with injections of revenue bonds and WIFIA financing and then levels off as capital is paid for**



Sewer Rates

Rates	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
ATB Increases		0%	15%	14%	14%	12%	7%	6%	6%	6%	4%
Implementation Date:		1/1/2021	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027	7/1/2028	7/1/2029
Residential											
Base	\$ 20.61	\$ 20.61	\$ 23.70	\$ 27.02	\$ 30.80	\$ 34.50	\$ 36.91	\$ 39.13	\$ 41.48	\$ 43.96	\$ 45.72
Volume (CCF)	5.29	5.29	6.08	6.94	7.91	8.85	9.47	10.04	10.65	11.28	11.74
Outside City Flat Rate	74.34	74.34	85.49	97.46	111.10	124.44	133.15	141.14	149.60	158.58	164.92
Single Family - Reduced											
Base	\$ 10.31	\$ 10.31	\$ 11.86	\$ 13.52	\$ 15.41	\$ 17.26	\$ 18.47	\$ 19.57	\$ 20.75	\$ 21.99	\$ 22.87
Volume	2.65	2.65	3.05	3.47	3.96	4.44	4.75	5.03	5.33	5.65	5.88
Commercial/Industrial											
Base	\$ 9.82	\$ 9.82	\$ 11.29	\$ 12.87	\$ 14.68	\$ 16.44	\$ 17.59	\$ 18.64	\$ 19.76	\$ 20.95	\$ 21.79
Volume (CCF)	7.18	7.18	8.26	9.41	10.73	12.02	12.86	13.63	14.45	15.32	15.93

- **Rate increases start at 15% in FY 2021-22, decrease to 14% for two years, 12% for one year, and then trail off**



Sewer Rates Comparison

City	Wastewater Rates (6 CCF)
Lake Oswego	\$72.55
Sandy (FY 2021-22 Proposed)	\$60.20
Oregon City	\$59.79
Milwaukie	\$58.84
Gladstone	\$58.46
Wilsonville	\$55.24
Sandy (Existing)	\$52.35
West Linn	\$47.84
Tigard	\$46.57
Canby	\$46.20
Sherwood	\$44.46
Tualatin	\$44.26
Beaverton	\$44.14
Hillsboro	\$43.44
Cornelius	\$41.97
Monmouth	\$37.81

Thank you! Questions?

Doug Gabbard – Project Manager
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DougG@fcsgroup.com

www.fcsgroup.com



Typical wastewater capital project financing

Cost: \$68 million

Funding: \$61 million debt

Supported by rate revenue

Construction duration: 7 years



Typical infrastructure financing



Typical Project – \$68 million

- Revenue bonds: supported by rates
- Requires 3 serial bond issues; total \$61 million
- 30-year bond repayment
- Assume 4% interest
- Full bond amount received upon issuance
- Payments: principal & interest on full amount start year 1



financing to the rescue!

Our Typical Project – \$61 million debt

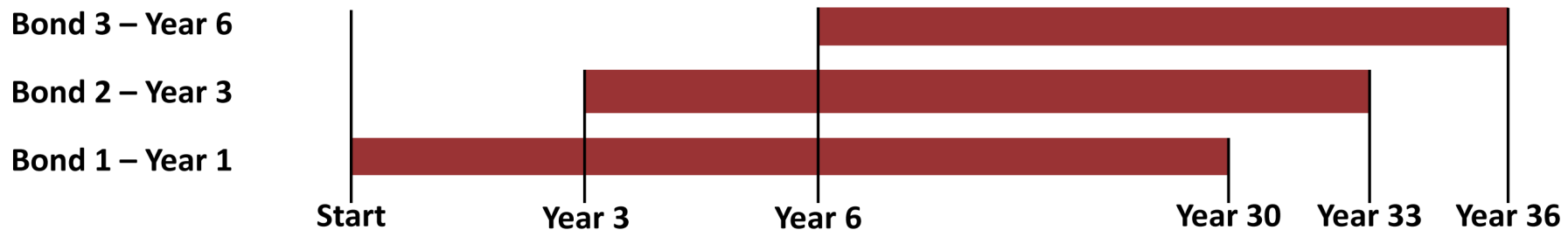
- \$33 million WIFIA loan
 - 30-year term
 - 2.14% interest (current rate)
- Plus revenue bond issued in Year 4
 - \$28 million
 - 30-year term
 - 4% interest

Typical infrastructure financing – “Pay Now”

\$ Cash Received – Funds received with bond issuance

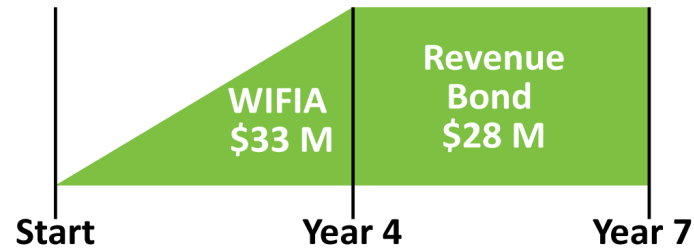


\$ Payments – Repayment begins immediately



WIFIA financing – “Pay Later”

\$ Cash Received – WIFIA funds received as needed



\$ Payments – Payments can be deferred until after project completion



Summary of WIFIA benefits

- ✓ Broad eligibility criteria
- ✓ Lowest possible interest rates
- ✓ Flexible terms: draw down money only when needed; meanwhile – no interest accrues on undisbursed funds



Summary of WIFIA benefits

- ✓ Repayment deferred up to 5 years after project completion
- ✓ Provides certainty for long-range funding plan
- ✓ \$13 million savings for ratepayers in the first 15 years



Staff Report

Meeting Date: April 5, 2021

From Tyler Deems, Deputy City Manager / Finance Director

SUBJECT: Full Faith & Credit Obligations, Series 2021

BACKGROUND:

Over the past year and half the City of Sandy has begun work on several capital improvement projects, which include increasing energy performance with the LED streetlight conversion, addressing traffic and transportation priorities with the 362nd and Bell Street Extension, and investing in the necessary improvements to our wastewater system beginning with collection system repairs including private laterals. As indicated in prior staff reports on these projects, the intent is to debt finance these projects using the cost savings or new and existing revenue sources to pay the debt.

The city has been working with a financial advisor (Piper Sandler) to determine the best vehicle to debt finance the projects. The recommendation is a Full Faith & Credit Obligation (FF&C) with a term of twenty years. Interest rates are also at historic lows, which makes this an excellent time to issue debt. A summary of each project is provided below:

The projects, in total, are expected to cost approximately \$8,560,000. In addition to these projects, the city also replaced all of the water meters in the past year with new automated meter reading (AMR) meters. This project was originally intended to be financed, but was ultimately funded with cash on hand from the Water Fund.

LED Streetlight Conversion

In [November 2019](#), the Council authorized the City Manager to enter into a performance guarantee contract with McKinstry to replace all streetlights owned and operated by the City of Sandy with LED streetlights. The total project cost is \$1,140,000 and is estimated to save approximately \$67,800 per year in utility costs.

Bell Street / 362nd Extension

In [March 2020](#), the Council was provided information regarding the scope of work for the extension of Bell Street/362nd. This has been a goal for a number of decades, and the end result will decrease traffic congestion, improve connectivity and emergency access, and helped encourage development of commercial land. The project began in 2020 with design and engineering work. Since then, the Council has been briefed on various options, and the next steps in the project include acquisition of land, land use approval, and the actual construction of the project. The estimated cost of this project is approximately \$5,490,000.

Private Sewer Laterals

As outlined in the adopted Wastewater System Facilities Plan, the city is working to address the inflow and infiltration (I&I) of water into the city's wastewater collection system. This work is an important factor in reducing the flows to our existing treatment plant in order for the plant to better achieve our permit requirements. As part of the I&I work is address the pipes that are located on private property (private laterals). These laterals connect homes to the city's sewer collection system.

In [May 2020](#), staff presented options for the Council for addressing the work needed on fixing private sewer laterals. The Council decided to have the city pay for the cost of replacing or relining the laterals. In [November 2020](#), the Council authorized the City Manager to enter into an agreement with Oxbow Construction for the collection system improvements, including the replacement of private lateral wastewater connections to numerous properties within the City of Sandy. This project is expected to cost approximately \$1,930,000 and will be completed over the next few months.

The City is working with Mersereau Shannon to provide bond counsel services and Piper Sandler to provide financial advisor services. Staff has been coordinating with these two service providers over the past few months to create a borrowing schedule and assist us with the necessary steps to ensure a smooth transaction. The financing will be backed by the full faith and credit of the City of Sandy.

The FF&C Obligation will be repaid from a variety of sources, as detailed below:

- LED Streetlight Conversion - Energy savings of \$67,800 per year, supplemented with Street Fund revenue.
- Bell/362nd Extension - [Clackamas County Vehicle Registration Fee \(VRF\)](#) and [House Bill 2017](#), a \$0.06 statewide fuel tax which is set to be phased in over a six year period.
- Private Lateral Replacement - Wastewater rate revenue.

Lauren MacMillan, Managing Director, Piper Sandler, will attend the April 5th meeting to provide a brief presentation and answer any questions the Council may have regarding the Full Faith & Credit Obligations, Series 2021. Staff will bring back to Council a resolution on April 19, 2021 to officially authorize the Obligation in the amount of \$7,825,000. Upon authorization, staff will work with our bond counsel and financial advisors to close the sale on May 20, 2021.

RECOMMENDATION:

This is for informational purposes and discussion. The Council will be asked to authorize the obligation by resolution on April 19th.

BOND SUMMARY STATISTICS

City of Sandy, Oregon
Full Faith and Credit Obligations, Series 2021
Current Estimated Rates plus 0.75%
Reports By Project

Dated Date	05/20/2021
Delivery Date	05/20/2021
Last Maturity	06/01/2041
Arbitrage Yield	2.458627%
True Interest Cost (TIC)	2.947637%
Net Interest Cost (NIC)	3.134176%
All-In TIC	3.065470%
Average Coupon	3.910854%
Average Life (years)	11.788
Duration of Issue (years)	9.474
Par Amount	7,825,000.00
Bond Proceeds	8,588,390.30
Total Interest	3,607,532.34
Net Interest	2,891,092.04
Total Debt Service	11,432,532.34
Maximum Annual Debt Service	575,848.10
Average Annual Debt Service	570,754.63
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	6.000000
Total Underwriter's Discount	6.000000
Bid Price	109.155787

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	4,470,000.00	112.238	4.000%	8.769
Taxable Serials	805,000.00	100.000	2.966%	8.534
Term Bond due 2041	2,190,000.00	109.879	4.000%	18.106
Taxable Term Bond due 2041	360,000.00	100.000	3.828%	18.128
	7,825,000.00			11.788

	TIC	All-In TIC	Arbitrage Yield
Par Value	7,825,000.00	7,825,000.00	6,660,000.00
+ Accrued Interest			
+ Premium (Discount)	763,390.30	763,390.30	763,390.30
- Underwriter's Discount	-46,950.00	-46,950.00	
- Cost of Issuance Expense		-93,238.75	
- Other Amounts			
Target Value	8,541,440.30	8,448,201.55	7,423,390.30
Target Date	05/20/2021	05/20/2021	05/20/2021
Yield	2.947637%	3.065470%	2.458627%

SOURCES AND USES OF FUNDS

City of Sandy, Oregon
 Full Faith and Credit Obligations, Series 2021
 Current Estimated Rates plus 0.75%
 Reports By Project

Dated Date 05/20/2021
 Delivery Date 05/20/2021

Sources:	Bell/362nd Extension	Private Laterals Work	LED Streetlight Conversion	Total
Bond Proceeds:				
Par Amount	4,925,000.00	1,735,000.00	1,165,000.00	7,825,000.00
Premium	564,443.25	198,947.05		763,390.30
	<u>5,489,443.25</u>	<u>1,933,947.05</u>	<u>1,165,000.00</u>	<u>8,588,390.30</u>
Uses:				
	Bell/362nd Extension	Private Laterals Work	LED Streetlight Conversion	Total
Project Fund Deposits:				
Bell/362nd Extension	5,400,000.00			5,400,000.00
Private Laterals		1,900,000.00		1,900,000.00
LED Streetlight Conversion			1,140,000.00	1,140,000.00
	<u>5,400,000.00</u>	<u>1,900,000.00</u>	<u>1,140,000.00</u>	<u>8,440,000.00</u>
Delivery Date Expenses:				
Cost of Issuance	58,683.81	20,673.39	13,881.55	93,238.75
Underwriter's Discount	29,550.00	10,410.00	6,990.00	46,950.00
	<u>88,233.81</u>	<u>31,083.39</u>	<u>20,871.55</u>	<u>140,188.75</u>
Other Uses of Funds:				
Additional Proceeds	1,209.44	2,863.66	4,128.45	8,201.55
	<u>5,489,443.25</u>	<u>1,933,947.05</u>	<u>1,165,000.00</u>	<u>8,588,390.30</u>

BOND SUMMARY STATISTICS

City of Sandy, Oregon
Bell/362nd Extension
Current Estimated Rates plus 0.75%
Reports By Project

Dated Date	05/20/2021
Delivery Date	05/20/2021
Last Maturity	06/01/2041
Arbitrage Yield	2.458627%
True Interest Cost (TIC)	2.873974%
Net Interest Cost (NIC)	3.082838%
All-In TIC	2.989649%
Average Coupon	4.000000%
Average Life (years)	11.842
Duration of Issue (years)	9.498
Par Amount	4,925,000.00
Bond Proceeds	5,489,443.25
Total Interest	2,332,819.44
Net Interest	1,797,926.19
Total Debt Service	7,257,819.44
Maximum Annual Debt Service	365,400.00
Average Annual Debt Service	362,337.40
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	6.000000
Total Underwriter's Discount	6.000000
Bid Price	110.860777

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	3,305,000.00	112.236	4.000%	8.770
Term Bond due 2041	1,620,000.00	109.879	4.000%	18.108
	4,925,000.00			11.842

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,925,000.00	4,925,000.00	4,925,000.00
+ Accrued Interest			
+ Premium (Discount)	564,443.25	564,443.25	564,443.25
- Underwriter's Discount	-29,550.00	-29,550.00	
- Cost of Issuance Expense		-58,683.81	
- Other Amounts			
Target Value	5,459,893.25	5,401,209.44	5,489,443.25
Target Date	05/20/2021	05/20/2021	05/20/2021
Yield	2.873974%	2.989649%	2.458627%

BOND PRICING

City of Sandy, Oregon
 Bell/362nd Extension
 Current Estimated Rates plus 0.75%
 Reports By Project

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Bond Component:							
	06/01/2022	160,000	4.000%	1.040%	103.026		4,841.60
	06/01/2023	170,000	4.000%	1.120%	105.765		9,800.50
	06/01/2024	180,000	4.000%	1.260%	108.121		14,617.80
	06/01/2025	185,000	4.000%	1.390%	110.195		18,860.75
	06/01/2026	195,000	4.000%	1.530%	111.915		23,234.25
	06/01/2027	200,000	4.000%	1.690%	113.190		26,380.00
	06/01/2028	210,000	4.000%	1.850%	114.112		29,635.20
	06/01/2029	220,000	4.000%	2.000%	114.769		32,491.80
	06/01/2030	225,000	4.000%	2.140%	115.199		34,197.75
	06/01/2031	235,000	4.000%	2.250%	115.634		36,739.90
	06/01/2032	245,000	4.000%	2.320%	114.956 C	2.445%	36,642.20
	06/01/2033	255,000	4.000%	2.420%	113.996 C	2.635%	35,689.80
	06/01/2034	265,000	4.000%	2.520%	113.044 C	2.798%	34,566.60
	06/01/2035	275,000	4.000%	2.620%	112.102 C	2.941%	33,280.50
	06/01/2036	285,000	4.000%	2.660%	111.728 C	3.023%	33,424.80
		<u>3,305,000</u>					<u>404,403.45</u>
Term Bond due 2041:							
	06/01/2037	300,000	4.000%	2.860%	109.879 C	3.321%	29,637.00
	06/01/2038	310,000	4.000%	2.860%	109.879 C	3.321%	30,624.90
	06/01/2039	325,000	4.000%	2.860%	109.879 C	3.321%	32,106.75
	06/01/2040	335,000	4.000%	2.860%	109.879 C	3.321%	33,094.65
	06/01/2041	350,000	4.000%	2.860%	109.879 C	3.321%	34,576.50
		<u>1,620,000</u>					<u>160,039.80</u>
		4,925,000					564,443.25

Dated Date	05/20/2021	
Delivery Date	05/20/2021	
First Coupon	12/01/2021	
Par Amount	4,925,000.00	
Premium	564,443.25	
Production	5,489,443.25	111.460777%
Underwriter's Discount	-29,550.00	-0.600000%
Purchase Price	5,459,893.25	110.860777%
Accrued Interest		
Net Proceeds	5,459,893.25	

BOND DEBT SERVICE

City of Sandy, Oregon
 Bell/362nd Extension
 Current Estimated Rates plus 0.75%
 Reports By Project

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2021			104,519.44	104,519.44	
06/01/2022	160,000	4.000%	98,500.00	258,500.00	363,019.44
12/01/2022			95,300.00	95,300.00	
06/01/2023	170,000	4.000%	95,300.00	265,300.00	360,600.00
12/01/2023			91,900.00	91,900.00	
06/01/2024	180,000	4.000%	91,900.00	271,900.00	363,800.00
12/01/2024			88,300.00	88,300.00	
06/01/2025	185,000	4.000%	88,300.00	273,300.00	361,600.00
12/01/2025			84,600.00	84,600.00	
06/01/2026	195,000	4.000%	84,600.00	279,600.00	364,200.00
12/01/2026			80,700.00	80,700.00	
06/01/2027	200,000	4.000%	80,700.00	280,700.00	361,400.00
12/01/2027			76,700.00	76,700.00	
06/01/2028	210,000	4.000%	76,700.00	286,700.00	363,400.00
12/01/2028			72,500.00	72,500.00	
06/01/2029	220,000	4.000%	72,500.00	292,500.00	365,000.00
12/01/2029			68,100.00	68,100.00	
06/01/2030	225,000	4.000%	68,100.00	293,100.00	361,200.00
12/01/2030			63,600.00	63,600.00	
06/01/2031	235,000	4.000%	63,600.00	298,600.00	362,200.00
12/01/2031			58,900.00	58,900.00	
06/01/2032	245,000	4.000%	58,900.00	303,900.00	362,800.00
12/01/2032			54,000.00	54,000.00	
06/01/2033	255,000	4.000%	54,000.00	309,000.00	363,000.00
12/01/2033			48,900.00	48,900.00	
06/01/2034	265,000	4.000%	48,900.00	313,900.00	362,800.00
12/01/2034			43,600.00	43,600.00	
06/01/2035	275,000	4.000%	43,600.00	318,600.00	362,200.00
12/01/2035			38,100.00	38,100.00	
06/01/2036	285,000	4.000%	38,100.00	323,100.00	361,200.00
12/01/2036			32,400.00	32,400.00	
06/01/2037	300,000	4.000%	32,400.00	332,400.00	364,800.00
12/01/2037			26,400.00	26,400.00	
06/01/2038	310,000	4.000%	26,400.00	336,400.00	362,800.00
12/01/2038			20,200.00	20,200.00	
06/01/2039	325,000	4.000%	20,200.00	345,200.00	365,400.00
12/01/2039			13,700.00	13,700.00	
06/01/2040	335,000	4.000%	13,700.00	348,700.00	362,400.00
12/01/2040			7,000.00	7,000.00	
06/01/2041	350,000	4.000%	7,000.00	357,000.00	364,000.00
	4,925,000		2,332,819.44	7,257,819.44	7,257,819.44

BOND SUMMARY STATISTICS

City of Sandy, Oregon
Private Laterals Work
Current Estimated Rates plus 0.75%
Reports By Project

Dated Date	05/20/2021
Delivery Date	05/20/2021
Last Maturity	06/01/2041
Arbitrage Yield	2.458627%
True Interest Cost (TIC)	2.872690%
Net Interest Cost (NIC)	3.081562%
All-In TIC	2.988430%
Average Coupon	4.000000%
Average Life (years)	11.832
Duration of Issue (years)	9.492
Par Amount	1,735,000.00
Bond Proceeds	1,933,947.05
Total Interest	821,120.56
Net Interest	632,583.51
Total Debt Service	2,556,120.56
Maximum Annual Debt Service	129,800.00
Average Annual Debt Service	127,611.07
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	6.000000
Total Underwriter's Discount	6.000000
Bid Price	110.866689

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	1,165,000.00	112.243	4.000%	8.764
Term Bond due 2041	570,000.00	109.879	4.000%	18.101
	1,735,000.00			11.832

	TIC	All-In TIC	Arbitrage Yield
Par Value	1,735,000.00	1,735,000.00	1,735,000.00
+ Accrued Interest			
+ Premium (Discount)	198,947.05	198,947.05	198,947.05
- Underwriter's Discount	-10,410.00	-10,410.00	
- Cost of Issuance Expense		-20,673.39	
- Other Amounts			
Target Value	1,923,537.05	1,902,863.66	1,933,947.05
Target Date	05/20/2021	05/20/2021	05/20/2021
Yield	2.872690%	2.988430%	2.458627%

BOND PRICING

City of Sandy, Oregon
Private Laterals Work
Current Estimated Rates plus 0.75%
Reports By Project

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Bond Component:							
	06/01/2022	55,000	4.000%	1.040%	103.026		1,664.30
	06/01/2023	60,000	4.000%	1.120%	105.765		3,459.00
	06/01/2024	65,000	4.000%	1.260%	108.121		5,278.65
	06/01/2025	65,000	4.000%	1.390%	110.195		6,626.75
	06/01/2026	70,000	4.000%	1.530%	111.915		8,340.50
	06/01/2027	70,000	4.000%	1.690%	113.190		9,233.00
	06/01/2028	75,000	4.000%	1.850%	114.112		10,584.00
	06/01/2029	75,000	4.000%	2.000%	114.769		11,076.75
	06/01/2030	80,000	4.000%	2.140%	115.199		12,159.20
	06/01/2031	85,000	4.000%	2.250%	115.634		13,288.90
	06/01/2032	85,000	4.000%	2.320%	114.956 C	2.445%	12,712.60
	06/01/2033	90,000	4.000%	2.420%	113.996 C	2.635%	12,596.40
	06/01/2034	95,000	4.000%	2.520%	113.044 C	2.798%	12,391.80
	06/01/2035	95,000	4.000%	2.620%	112.102 C	2.941%	11,496.90
	06/01/2036	100,000	4.000%	2.660%	111.728 C	3.023%	11,728.00
		<u>1,165,000</u>					<u>142,636.75</u>
Term Bond due 2041:							
	06/01/2037	105,000	4.000%	2.860%	109.879 C	3.321%	10,372.95
	06/01/2038	110,000	4.000%	2.860%	109.879 C	3.321%	10,866.90
	06/01/2039	115,000	4.000%	2.860%	109.879 C	3.321%	11,360.85
	06/01/2040	120,000	4.000%	2.860%	109.879 C	3.321%	11,854.80
	06/01/2041	120,000	4.000%	2.860%	109.879 C	3.321%	11,854.80
		<u>570,000</u>					<u>56,310.30</u>
		<u>1,735,000</u>					<u>198,947.05</u>

Dated Date	05/20/2021	
Delivery Date	05/20/2021	
First Coupon	12/01/2021	
Par Amount	1,735,000.00	
Premium	198,947.05	
Production	1,933,947.05	111.466689%
Underwriter's Discount	-10,410.00	-0.600000%
Purchase Price	1,923,537.05	110.866689%
Accrued Interest		
Net Proceeds	1,923,537.05	

BOND DEBT SERVICE

City of Sandy, Oregon
Private Laterals Work
Current Estimated Rates plus 0.75%
Reports By Project

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2021			36,820.56	36,820.56	
06/01/2022	55,000	4.000%	34,700.00	89,700.00	126,520.56
12/01/2022			33,600.00	33,600.00	
06/01/2023	60,000	4.000%	33,600.00	93,600.00	127,200.00
12/01/2023			32,400.00	32,400.00	
06/01/2024	65,000	4.000%	32,400.00	97,400.00	129,800.00
12/01/2024			31,100.00	31,100.00	
06/01/2025	65,000	4.000%	31,100.00	96,100.00	127,200.00
12/01/2025			29,800.00	29,800.00	
06/01/2026	70,000	4.000%	29,800.00	99,800.00	129,600.00
12/01/2026			28,400.00	28,400.00	
06/01/2027	70,000	4.000%	28,400.00	98,400.00	126,800.00
12/01/2027			27,000.00	27,000.00	
06/01/2028	75,000	4.000%	27,000.00	102,000.00	129,000.00
12/01/2028			25,500.00	25,500.00	
06/01/2029	75,000	4.000%	25,500.00	100,500.00	126,000.00
12/01/2029			24,000.00	24,000.00	
06/01/2030	80,000	4.000%	24,000.00	104,000.00	128,000.00
12/01/2030			22,400.00	22,400.00	
06/01/2031	85,000	4.000%	22,400.00	107,400.00	129,800.00
12/01/2031			20,700.00	20,700.00	
06/01/2032	85,000	4.000%	20,700.00	105,700.00	126,400.00
12/01/2032			19,000.00	19,000.00	
06/01/2033	90,000	4.000%	19,000.00	109,000.00	128,000.00
12/01/2033			17,200.00	17,200.00	
06/01/2034	95,000	4.000%	17,200.00	112,200.00	129,400.00
12/01/2034			15,300.00	15,300.00	
06/01/2035	95,000	4.000%	15,300.00	110,300.00	125,600.00
12/01/2035			13,400.00	13,400.00	
06/01/2036	100,000	4.000%	13,400.00	113,400.00	126,800.00
12/01/2036			11,400.00	11,400.00	
06/01/2037	105,000	4.000%	11,400.00	116,400.00	127,800.00
12/01/2037			9,300.00	9,300.00	
06/01/2038	110,000	4.000%	9,300.00	119,300.00	128,600.00
12/01/2038			7,100.00	7,100.00	
06/01/2039	115,000	4.000%	7,100.00	122,100.00	129,200.00
12/01/2039			4,800.00	4,800.00	
06/01/2040	120,000	4.000%	4,800.00	124,800.00	129,600.00
12/01/2040			2,400.00	2,400.00	
06/01/2041	120,000	4.000%	2,400.00	122,400.00	124,800.00
	1,735,000		821,120.56	2,556,120.56	2,556,120.56

BOND SUMMARY STATISTICS

City of Sandy, Oregon
LED Streetlight Conversion
Current Estimated Rates plus 0.75%
Reports By Project

Dated Date	05/20/2021
Delivery Date	05/20/2021
Last Maturity	06/01/2041
Arbitrage Yield	3.346481%
True Interest Cost (TIC)	3.411956%
Net Interest Cost (NIC)	3.438311%
All-In TIC	3.543676%
Average Coupon	3.386130%
Average Life (years)	11.498
Duration of Issue (years)	9.336
Par Amount	1,165,000.00
Bond Proceeds	1,165,000.00
Total Interest	453,592.34
Net Interest	460,582.34
Total Debt Service	1,618,592.34
Maximum Annual Debt Service	83,439.60
Average Annual Debt Service	80,806.16
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	6.000000
Total Underwriter's Discount	6.000000
Bid Price	99.400000

Bond Component	Par Value	Price	Average Coupon	Average Life
Taxable Serials	805,000.00	100.000	2.966%	8.534
Taxable Term Bond due 2041	360,000.00	100.000	3.828%	18.128
	1,165,000.00			11.498

	TIC	All-In TIC	Arbitrage Yield
Par Value	1,165,000.00	1,165,000.00	1,165,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-6,990.00	-6,990.00	
- Cost of Issuance Expense		-13,881.55	
- Other Amounts			
Target Value	1,158,010.00	1,144,128.45	1,165,000.00
Target Date	05/20/2021	05/20/2021	05/20/2021
Yield	3.411956%	3.543676%	3.346481%

BOND PRICING

City of Sandy, Oregon
LED Streetlight Conversion
Current Estimated Rates plus 0.75%
Reports By Project

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Taxable Serials:					
	06/01/2022	45,000	1.219%	1.219%	100.000
	06/01/2023	45,000	1.319%	1.319%	100.000
	06/01/2024	45,000	1.642%	1.642%	100.000
	06/01/2025	50,000	2.033%	2.033%	100.000
	06/01/2026	50,000	2.183%	2.183%	100.000
	06/01/2027	50,000	2.442%	2.442%	100.000
	06/01/2028	50,000	2.592%	2.592%	100.000
	06/01/2029	55,000	2.754%	2.754%	100.000
	06/01/2030	55,000	2.854%	2.854%	100.000
	06/01/2031	55,000	2.954%	2.954%	100.000
	06/01/2032	55,000	3.054%	3.054%	100.000
	06/01/2033	60,000	3.154%	3.154%	100.000
	06/01/2034	60,000	3.254%	3.254%	100.000
	06/01/2035	65,000	3.354%	3.354%	100.000
	06/01/2036	65,000	3.454%	3.454%	100.000
		805,000			
Taxable Term Bond due 2041:					
	06/01/2037	65,000	3.828%	3.828%	100.000
	06/01/2038	70,000	3.828%	3.828%	100.000
	06/01/2039	70,000	3.828%	3.828%	100.000
	06/01/2040	75,000	3.828%	3.828%	100.000
	06/01/2041	80,000	3.828%	3.828%	100.000
		360,000			
		1,165,000			

Dated Date	05/20/2021	
Delivery Date	05/20/2021	
First Coupon	12/01/2021	
Par Amount	1,165,000.00	
Original Issue Discount	_____	
Production	1,165,000.00	100.000000%
Underwriter's Discount	-6,990.00	-0.600000%
	1,158,010.00	99.400000%
Purchase Price		
Accrued Interest		
	1,158,010.00	
Net Proceeds	1,158,010.00	

BOND DEBT SERVICE

City of Sandy, Oregon
LED Streetlight Conversion
Current Estimated Rates plus 0.75%
Reports By Project

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2021			18,540.58	18,540.58	
06/01/2022	45,000	1.219%	17,472.80	62,472.80	81,013.38
12/01/2022			17,198.53	17,198.53	
06/01/2023	45,000	1.319%	17,198.53	62,198.53	79,397.06
12/01/2023			16,901.75	16,901.75	
06/01/2024	45,000	1.642%	16,901.75	61,901.75	78,803.50
12/01/2024			16,532.30	16,532.30	
06/01/2025	50,000	2.033%	16,532.30	66,532.30	83,064.60
12/01/2025			16,024.05	16,024.05	
06/01/2026	50,000	2.183%	16,024.05	66,024.05	82,048.10
12/01/2026			15,478.30	15,478.30	
06/01/2027	50,000	2.442%	15,478.30	65,478.30	80,956.60
12/01/2027			14,867.80	14,867.80	
06/01/2028	50,000	2.592%	14,867.80	64,867.80	79,735.60
12/01/2028			14,219.80	14,219.80	
06/01/2029	55,000	2.754%	14,219.80	69,219.80	83,439.60
12/01/2029			13,462.45	13,462.45	
06/01/2030	55,000	2.854%	13,462.45	68,462.45	81,924.90
12/01/2030			12,677.60	12,677.60	
06/01/2031	55,000	2.954%	12,677.60	67,677.60	80,355.20
12/01/2031			11,865.25	11,865.25	
06/01/2032	55,000	3.054%	11,865.25	66,865.25	78,730.50
12/01/2032			11,025.40	11,025.40	
06/01/2033	60,000	3.154%	11,025.40	71,025.40	82,050.80
12/01/2033			10,079.20	10,079.20	
06/01/2034	60,000	3.254%	10,079.20	70,079.20	80,158.40
12/01/2034			9,103.00	9,103.00	
06/01/2035	65,000	3.354%	9,103.00	74,103.00	83,206.00
12/01/2035			8,012.95	8,012.95	
06/01/2036	65,000	3.454%	8,012.95	73,012.95	81,025.90
12/01/2036			6,890.40	6,890.40	
06/01/2037	65,000	3.828%	6,890.40	71,890.40	78,780.80
12/01/2037			5,646.30	5,646.30	
06/01/2038	70,000	3.828%	5,646.30	75,646.30	81,292.60
12/01/2038			4,306.50	4,306.50	
06/01/2039	70,000	3.828%	4,306.50	74,306.50	78,613.00
12/01/2039			2,966.70	2,966.70	
06/01/2040	75,000	3.828%	2,966.70	77,966.70	80,933.40
12/01/2040			1,531.20	1,531.20	
06/01/2041	80,000	3.828%	1,531.20	81,531.20	83,062.40
	1,165,000		453,592.34	1,618,592.34	1,618,592.34

Overview: Full Faith and Credit Obligations, Series 2021



Lauren MacMillan

MANAGING DIRECTOR

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MINNEAPOLIS | PHOENIX | CHICAGO | LONDON | LOS ANGELES | NEW YORK | SAN FRANCISCO | ZURICH

FULL FAITH AND CREDIT OBLIGATIONS (FFCO)

- **Borrowing secured by Issuer’s “full faith and credit”**
- **Unconditional pledge of existing all legally available revenues**
 - **General fund or other monies**
- **State law does not require voter approval; no additional revenues provided**
- **No State limit on how much FFCO debt cities can issue**
 - **City charter requires annual appropriation**
- **Debt service can be tailored for projected revenues or level**

FEDERAL TAX RULES

Interest on qualifying municipal bonds is exempt from federal taxation, but the issue is subject to federal tax law. Key provisions:

- **Use of Proceeds**
 - Public purpose projects are OK
 - Certain limitations on ‘partnerships,’ with, for example, non-profits
- **Reimbursement of past expenditures during a limited period with approval of a reimbursement resolution**
- **Timing of Spending Proceeds**
 - Issuer must have a reasonable expectation it will spend 85% of the proceeds in 3 years
 - Includes any premium on proceeds

PROJECTS & STRUCTURE

Project	Project Amount	Tax Status	Payment Source	Final Maturity	Avg. Annual Debt Service	Est. Interest Rate
Bell/362 nd Extension	\$5,400,000	Tax-Exempt	VRF, HB 2017	06/01/41	\$362,337	2.87%
Private Laterals Rehab	\$1,900,000	Tax-Exempt	Sewer Fund	06/01/41	\$127,611	2.87%
LED Streetlight Conversion	\$1,140,000	Taxable	Energy Savings, Street Fund	06/01/41	\$80,806	3.41%

- **Level debt service structure**
- **Prepayable beginning 6/1/31**

FUNDING PLAN

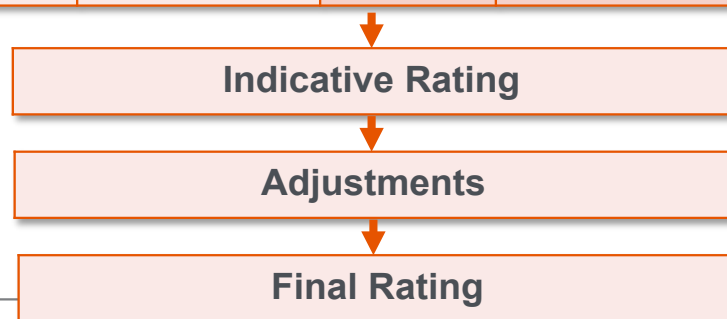
- **Sell via public offering**
 - **Sell bonds in the public market to a variety of investors**
 - **Helps achieve lowest interest cost**
 - **Offering document is regulated by the SEC**
 - **Accurate and complete information material to transaction must be made available to the investor**
 - **City's document**
 - **Substantially final version will be circulated to Council members prior to posting**
 - **Requires a credit rating**

CREDIT RATING

- A third party opinion of issuer credit quality
- A good rating can help reduce interest costs
- Existing rating with S&P Global
 - AA- on 2014 Rev/FFC
- S&P GO analytical framework:

S&P Rating Scale
AAA
+ AA -
+ A -
+ BBB -
+ BB -
+ B -
+ CCC -
CC
C
D

Institutional Framework 10%	Economy 30%	Management 20%	Financial Measures			Debt 10%
			Liquidity 10%	Budgetary Performance 10%	Budgetary Flexibility 10%	



SCHEDULE

Financing Team		
Issuer:	City of Sandy	SAN
Financial Advisor:	Piper Sandler & Co.	PSC
Special Counsel:	Mersereau Shannon LLP	MS
Underwriter:	<i>To be determined</i>	UW

Date	Event	Parties
Ongoing	Development of Preliminary Official Statement (POS)	Fin. Team
04/09	Clean copy of POS circulated to Council	PSC
Wk. of 4/12	Due diligence and rating calls	Fin. Team
04/19	Council Adopts Authorizing Resolution	SAN
4/23	Receive rating	SAN; PSC
04/26	Posting and distribution of POS	PSC
05/06	Pricing (Interest rates locked)	SAN; PSC; UW
Wk. of 5/10	Draft closing documents circulated	MS
05/20	Closing (Funds wired to City)	Fin. Team

DISCLOSURE

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Staff Report

Meeting Date: April 5, 2021

From Mike Walker, Public Works Director
Resolution 2021-05 Authorizing Loan From the Clean Water State

SUBJECT: Revolving Loan Fund

BACKGROUND:

In 2019, the City applied for a Loan from DEQ's Clean Water State Revolving Loan Fund (CWSRF) to fund improvements to the existing Wastewater Treatment Plant and Collection System. The work at the treatment plant consists of replacement of equipment and capacity improvements recommended in the Condition Assessment from the Wastewater Facilities Plan and in subsequent engineering reviews of the plant. The collection system work consists of pipe replacement and rehabilitation improvements identified in Facilities Plan and refined in the pre-construction services portion of the CM/GC contract with Oxbow Construction.

This loan is a critical component of the City's financing plan for the first phase of the Wastewater System Improvement Project; the rate models developed by staff have been built under the assumption that this loan would be secured.

The original loan amount in the application was \$6,025,000 based on planning-level estimates from Facilities Plan. The City increased its current SRF planning loan with DEQ to \$800,000 in 2019 and the proposed amount of the construction loan was reduced to \$5,675,000 as shown in the proposed Agreement (Exhibit A). The current construction cost estimate for both projects is \$8,850,000.

Because of the accelerated timeline for these projects it is necessary to enter into the loan agreement for \$5,675,000 now before we incur eligible expenses and amend the loan later once the Guaranteed Maximum Price (GMP) is negotiated for both projects and the final project cost is known. The Council would need to review to approve any amendment to the loan agreement and loan amount at that time.

BUDGETARY IMPACT:

The first payment on the loan would not be due until August, 2022 and the debt service is accounted for in the upcoming biennial budget.

RECOMMENDATION:

Approve Resolution 2021-05 to enter into the loan agreement with DEQ.

SUGGESTED MOTION:

I move to approve Resolution 2021-05 and enter into the CWSRF loan agreement with the Oregon Department of Environmental Quality.

LIST OF ATTACHMENTS/EXHIBITS:

Resolution 2021-05



NO. 2021-05

A Resolution Authorizing a Loan From the Clean Water State Revolving Loan Fund by Entering Into a Financing Contract With the Oregon Department of Environmental Quality

Whereas, The City of Sandy (Recipient) desires to enter into an agreement with the Oregon Department of Environmental Quality (DEQ) to finance Condition Assessment Improvements to the Existing Wastewater Treatment Plant and Rainfall Derived Inflow and Infiltration Reduction Improvements to the Wastewater Collection System (Project); and

Whereas, The Recipient owns and operates a wastewater collection and treatment system as defined in Oregon Administrative Rule 354-040-0010; and

Whereas, The Recipient has filed an application with the DEQ to obtain financial assistance for the Project, and the DEQ has approved the Recipient's application for financial assistance from the Clean Water State Revolving Fund; and

Whereas, The Recipient is required, as a prerequisite to the receipt of financial assistance from the DEQ, to enter into a Contract with the DEQ, substantially in the form attached hereto as Exhibit A; and

Whereas, The City Attorney has reviewed the Loan Agreement and furnished an Opinion of Counsel attached hereto as Exhibit B regarding the City's fitness to enter into the Agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sandy as follows: The City Manager is hereby authorized to sign a Loan Agreement and Promissory Note from the Oregon Dept. of Environmental Quality for a Construction Loan in the amount of \$5,675,000 with an annual interest rate of 1.22%.

This resolution is adopted by the Common Council of the City of Sandy and approved by the Mayor this 05 day of April 2021

Stan Pulliam, Mayor

#2021-05

ATTEST:

Jeff Aprati, City Recorder

#2021-05

EXHIBIT A

**CLEAN WATER STATE REVOLVING FUND
LOAN AGREEMENT
No. R80942**

BETWEEN

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

AND

CITY OF SANDY

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THIS LOAN AGREEMENT (“Agreement”) is made and entered into as of the date (“**Effective Date**”) it is fully executed by both parties (and in the case of the State, approved by the Attorney General's Office, if required) and is by and between the **State of Oregon, acting by and through its Department of Environmental Quality (“DEQ”)**, and the **Borrower** (as defined below). Unless the context requires otherwise, capitalized terms not defined below shall have the meanings assigned to them by ARTICLE 9 of this Loan Agreement. The reference number for the Loan made pursuant to this Loan Agreement is Loan No. R80942.

DEQ agrees to make, and Borrower agrees to accept, the Loan on the terms and subject to the conditions set forth below.

ARTICLE 1: THE LOAN - SPECIFIC TERMS

DEQ agrees to make the Loan on the following terms and conditions:

- (A) **BORROWER:** City of Sandy
- (B) **BORROWER'S ADDRESS:** 39250 Pioneer Blvd
Sandy, Oregon 97055
- (C) **LOAN AMOUNT:** \$5,675,000
- (D) **TYPE AND PURPOSE OF LOAN.** The Loan is a "Revenue Secured Loan" made by DEQ pursuant to OAR Section 340-054-0065(2) for the purpose of financing the Project.
- (E) **PROJECT TITLE:** WWTP Condition Assessment and Collection System
- (F) **DESCRIPTION OF THE PROJECT:** City of Sandy (City) will improve existing wastewater treatment plant (WWTP) including repairing or replacing the existing fine screen, replacing the existing grit removal system, replacing two of the four aeration blowers, repairing the mechanisms within the existing two secondary clarifiers, and replacing the UV disinfection system. All of these replacements will be within the existing footprint of the wastewater plant; assess and repair as needed the current collection system including designing and constructing repairs and rehabilitation of public sewer pipes and laterals in the existing public right-of-way in

Sandy, many within existing road surfaces, and within the project boundaries on land that has been previously disturbed.

(G) INTEREST RATE: One and 22/100 (1.22%) per annum. Calculation of interest is also discussed in ARTICLE 2(E) and in ARTICLE 2(F)(4) of this Agreement.

(H) REPAYMENT PERIOD: Ending no later than (a) twenty (20) years after the Completion Date or (b) twenty (20) years after the estimated Completion Date set forth in ARTICLE 3(A)(10), whichever date is earlier.

(I) TERMS OF REPAYMENT: An interest-only payment within six months after the estimated Project Completion Date set forth in ARTICLE 3(A)(10) and thereafter semi-annual payments of principal and interest in accordance with APPENDIX A and ARTICLE 2(F) of this Agreement.

(J) PLEDGE: The Borrower hereby grants DEQ a security interest in and irrevocably pledges its Net Revenues to secure payment of and to pay the amounts due under this Loan Agreement. The Net Revenues so pledged and hereafter received by the Borrower shall immediately be subject to the lien of such pledge without physical delivery or further act, and the lien of the pledge shall be superior to all other claims and liens whatsoever, to the fullest extent permitted by ORS 287A.310. The Borrower represents and warrants that the pledge of Net Revenues hereby made by the Borrower complies with, and shall be valid and binding from the date of this Agreement pursuant to, ORS 287A.310. The Borrower covenants with DEQ and any assignee of this Agreement that except as otherwise expressly provided herein, the Borrower shall not issue any other obligations which have a pledge or lien on the Net Revenues superior to or on a parity with the pledge herein granted without the written permission of DEQ. The lien of this pledge is on a parity with the liens securing all other CWSRF loans between DEQ and the Borrower; provided, however, that this provision shall not affect the priority that prior CWSRF loans are entitled to in relation to any loans between Borrower and any third parties

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

ARTICLE 2: GENERAL LOAN PROVISIONS

(A) AGREEMENT OF DEQ TO LOAN. DEQ agrees to loan the Borrower an amount not to exceed the Loan Amount, subject to the terms and conditions of this Loan Agreement, but solely from funds available to DEQ in the Water Pollution Control Revolving Fund for its Clean Water State Revolving Fund program. This Loan Agreement is given as evidence of a Loan to the Borrower made by DEQ pursuant to ORS Chapters 190, 286A, 287A, and 468, and OAR Chapter 340, all as amended from time to time, consistent with the express provisions hereof.

(B) AVAILABILITY OF FUNDS. DEQ's obligation to make the Loan described in this Agreement is subject to the availability of funds in the Water Pollution Control Revolving Fund

for its CWSRF program, and DEQ shall have no liability to the Borrower or any other party if such funds are not available or are not available in amounts sufficient to fund the entire Loan described herein, as determined by DEQ in the reasonable exercise of its administrative discretion. Funds may not be available ahead of the estimated schedule of disbursements submitted by the Borrower, which is attached as APPENDIX B. This schedule may be revised from time to time by the parties without the necessity of an amendment by replacing the then current APPENDIX B with an updated APPENDIX B which is dated and signed by both parties. Furthermore, DEQ's obligation to make any disbursement hereunder shall terminate on October 31, 2023.

(C) DISBURSEMENT OF LOAN PROCEEDS.

(1) Project Account(s). Loan proceeds (as and when disbursed by DEQ to the Borrower) shall be deposited in a Project account(s). The Borrower shall maintain Project account(s) as segregated account(s). Funds in the Project account(s) shall only be used to pay for Project costs, and all earnings on the Project account(s) shall be credited to the account(s).

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

(3) Adjustments and Corrections. DEQ may at any time review and audit requests for disbursement and make adjustments for, among other things, ineligible expenditures, mathematical errors, items not built or bought, unacceptable work and other discrepancies. Nothing in this Agreement requires DEQ to pay any amount for labor or materials unless DEQ is satisfied that the claim therefor is reasonable and that the Borrower actually expended and used such labor or materials in the Project. In addition, DEQ shall not be required to make any disbursement which would cause the total of all disbursements made hereunder (including the requested disbursement) to be greater than the total estimated cost of the work completed at the time of the disbursement, as determined by DEQ.

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

(D) AGREEMENT OF BORROWER TO REPAY. The Borrower agrees to repay all amounts owed on this Loan as described in ARTICLE 1(I) and ARTICLE 2(F) in U.S. Dollars in immediately available funds at the place listed for DEQ in ARTICLE 10(A). In any case, the Borrower agrees to repay all amounts owed on this Loan within the Repayment Period.

(E) **INTEREST.** Interest will accrue at the rate specified in ARTICLE 1(G) from the date that a disbursement hereunder is mailed or delivered to the Borrower or deposited into an account of the Borrower. Interest will accrue using a 365/366 day year and actual days elapsed.

(F) **LOAN REPAYMENT.**

(1) Preliminary Repayment Schedule: Interim Payments. The attached APPENDIX A is a preliminary repayment schedule based on the estimated date of the first disbursement hereunder and Loan Amount. Until the final repayment schedule is effective, the Borrower shall make the payments set forth in the preliminary repayment schedule.

(2) Final Repayment Schedule. After the Borrower has submitted its final request for Loan proceeds and DEQ has made all required disbursements hereunder, DEQ will determine the Final Loan Amount and prepare a final payment schedule that provides for level semi-annual installment payments of principal and interest (commencing on the next semi-annual payment date), each in an amount sufficient to pay accrued interest to the date of payment and to pay so much of the principal balance as to fully amortize the then Outstanding Loan Amount over the remaining Repayment Period.

(3) Crediting of Scheduled Payments. A scheduled payment received before the scheduled repayment date will be applied to interest and principal on the scheduled repayment date, rather than on the day such payment is received. Scheduled payments will be applied first to fees due, if any, and then to interest, according to the applicable repayment schedule, and then to principal.

(4) Crediting of Unscheduled Payments. All unscheduled payments, including any prepayments and partial payments, will be applied first to fees due, if any, and then to accrued unpaid interest (which will be computed as otherwise provided in this Agreement, except that interest from the last payment date will be calculated using a 365/366 day year and actual days elapsed), and then to principal. In the case of a Loan prepayment that does not prepay all of the principal of the Loan, DEQ will determine, in its sole discretion, how it will apply such Loan prepayment to the Outstanding Loan Amount. After a partial payment, DEQ may, in its sole and absolute discretion, reamortize the Outstanding Loan Amount at the same interest rate for the same number of payments to decrease the Loan payment amount; provided, however, that nothing in this Agreement requires DEQ to accept any partial payment, except as otherwise expressly provided herein, or to reamortize the Outstanding Loan Amount if it accepts a partial payment.

(5) Final Payment. The Outstanding Loan Amount, all accrued and unpaid interest, and all unpaid fees and charges due hereunder are due and payable no later than (a) thirty (30) years after the Completion Date or (b) thirty (30) years after the estimated Completion Date set forth in ARTICLE 3(A)(10), whichever date is earlier.

(G) **PREPAYMENT.**

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

(2) **Refinancing of Loan by the Borrower.** If the Borrower refinances the portion of the Project financed by this Loan or obtains an additional grant or loan that is intended to finance the portion of the Project financed by this Loan, it will prepay the portion of the Loan being refinanced by the additional grant or loan. Any mandatory prepayment under this ARTICLE 2(G)(2) will be applied in accordance with ARTICLE 2(F)(4).

(3) **Ineligible Uses of the Project.** If the Borrower uses the Project for uses that are other than those described in ARTICLE 1(F) ("ineligible uses"), the Borrower shall, upon demand by DEQ, prepay an amount equal to the Outstanding Loan Amount multiplied by the percentage (as determined by DEQ) of ineligible use of the Project. Such prepayment shall be applied against the most remotely maturing principal installments and shall not postpone the due date of any payment(s) hereunder.

(H) **LATE PAYMENT FEE.** The Borrower agrees to pay immediately upon DEQ's demand a late fee equal to five percent (5%) of any payment (including any loan fee) that is not received by DEQ on or before the tenth (10th) calendar day after such payment is due hereunder.

(I) **TERMINATION OF LOAN AGREEMENT.** Upon performance by the Borrower of all of its obligations under this Loan Agreement, including payment in full of the Final Loan Amount, all accrued interest and all fees, charges and other amounts due hereunder, this Loan Agreement will terminate, and DEQ will release its interest in any collateral given as security under this Loan Agreement.

ARTICLE 3: GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

(A) **REPRESENTATIONS AND WARRANTIES OF THE BORROWER.** The Borrower represents and warrants to DEQ that:

(1) It is a duly formed and existing public agency (as defined in ORS 468.423(2)) and has full power and authority to enter into this Loan Agreement.

(2) This Agreement has been duly authorized and executed and delivered by an authorized officer of the Borrower and constitutes the legal, valid and binding obligation of the Borrower enforceable in accordance with its terms.

(3) All acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Agreement have existed, have happened, and have been performed in due time, form and manner as required by law.

(4) Neither the execution of this Loan Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with any of the terms and conditions of this Loan Agreement will violate any provision of law, or any order of any court or other agency of government, or any agreement or other instrument to which the Borrower is now a party or by which the Borrower or any of its properties or assets is bound. Nor will this Loan Agreement be in conflict with, result in a breach of, or constitute a default under, any such agreement or other instrument, or, except as provided hereunder, result in the creation or imposition of any lien, charge or

encumbrance of any nature whatsoever upon any of the property or assets of the Borrower.

(5) This Loan Agreement does not create any unconstitutional indebtedness. The Loan Amount together with all of the Borrower's other obligations does not, and will not, exceed any limits prescribed by the Constitution, any of the statutes of the State of Oregon, the Borrower's charter, or any other authority.

(6) The Project is a project which the Borrower may undertake pursuant to Oregon law and for which the Borrower is authorized by law to borrow money.

(7) The Borrower has full legal right and authority and all necessary licenses and permits required as of the date hereof to own, operate and maintain the Facility and the Project, other than licenses and permits relating to the Facility or the Project which the Borrower expects to and shall receive in the ordinary course of business, to carry on its activities relating thereto, to execute and deliver this Agreement, to undertake and complete the Project, and to carry out and consummate all transactions contemplated by this Agreement.

(8) The information contained herein which was provided by the Borrower is true and accurate in all respects, and there is no material adverse information relating to the Project or the Loan, known to the Borrower, that has not been disclosed in writing to DEQ.

(9) No litigation exists or has been threatened that would cast doubt on the enforceability of the Borrower's obligations under this Loan Agreement.

(10) The estimated Completion Date of the Project is December 31, 2024. The Borrower agrees to complete the Project by the estimated Completion Date.

(11) The estimated total Costs of the Project are \$6,025,000

(12) The Borrower is in compliance with all laws, ordinances, and governmental rules and regulations to which it is subject, the failure to comply with which would materially adversely affect the ability of the Borrower to conduct its activities or undertake or complete the Project or the condition (financial or otherwise) of the Borrower or the Project.

(B) CONTINUING REPRESENTATIONS OF THE BORROWER. The representations of the Borrower contained herein shall be true on the closing date for the Loan and at all times during the term of this Agreement.

(C) REPRESENTATIONS AND WARRANTIES OF DEQ. DEQ represents and warrants that the Director has power under ORS Chapter 468 and OAR Chapter 340, Division 54, to enter into the transactions contemplated by this Loan Agreement and to carry out DEQ's obligations thereunder and that the Director is authorized to execute and deliver this Loan Agreement and to make the Loan as contemplated hereby.

ARTICLE 4: CONDITIONS TO LOAN

(A) CONDITIONS TO CLOSING. DEQ's obligations hereunder are subject to the condition that on or prior to November 30, 2020, the Borrower will duly execute and deliver to DEQ the following items, each in form and substance satisfactory to DEQ and its counsel:

- (1)** this Agreement duly executed and delivered by an authorized officer of the Borrower;
- (2)** a copy of the ordinance, order or resolution of the governing body of the Borrower authorizing the execution and delivery of this Agreement, certified by an authorized officer of the Borrower;
- (3)** Certification Regarding Lobbying, substantially in the form of APPENDIX G, duly executed and delivered by an authorized officer of the Borrower;
- (4)** an opinion of the legal counsel to the Borrower to the effect that:
 - (a)** The Borrower has the power and authority to execute and deliver and perform its obligations under this Loan Agreement;
 - (b)** This Loan Agreement has been duly executed and acknowledged where necessary by the Borrower's authorized representative(s), all required approvals have been obtained, and all other necessary actions have been taken, so that this Loan Agreement is valid, binding, and enforceable against the Borrower in accordance with its terms, except as such enforcement is affected by bankruptcy, insolvency, moratorium, or other laws affecting creditors rights generally;
 - (c)** To such counsel's knowledge, this Loan Agreement does not violate any other agreement, statute, court order, or law to which the Borrower is a party or by which it or any of its property or assets is bound; and
 - (d)** The Gross Revenues from which the Net Revenues are derived and that are used as security for the Loan will not constitute taxes that are limited by Section 11b, Article XI of the Oregon Constitution; and
- (5)** such other documents, certificates, opinions and information as DEQ or its counsel may reasonably require.

(B) CONDITIONS TO DISBURSEMENTS. Notwithstanding anything in this Agreement to the contrary, DEQ shall have no obligation to make any disbursement to the Borrower under this Agreement unless:

- (1)** No Event of Default and no event, omission or failure of a condition which would constitute an Event of Default after notice or lapse of time or both has occurred and is continuing;

(2) All of the Borrower's representations and warranties in this Agreement are true and correct on the date of disbursement with the same effect as if made on such date; and

(3) The Borrower submits a disbursement request to DEQ that complies with the requirements of ARTICLE 2(C);

provided, however, DEQ shall be under no obligation to make any disbursement if:

(x) DEQ determines, in the reasonable exercise of its administrative discretion, there is insufficient money available in the CWSRF for the Project; or

(y) there has been a change in any applicable state or federal law, statute, rule or regulation so that the Project is no longer eligible for the Loan.

ARTICLE 5: COVENANTS OF BORROWER

(A) **GENERAL COVENANTS OF THE BORROWER.** Until the Loan is paid in full, the Borrower covenants with DEQ that:

(1) The Borrower shall use the Loan funds only for payment or reimbursement of the Costs of the Project in accordance with this Loan Agreement. The Borrower acknowledges and agrees that the Costs of the Project do NOT include any Lobbying costs or expenses incurred by Borrower or any person on behalf of Borrower and that Borrower will not request payment or reimbursement for Lobbying costs and expenses.

(2) If the Loan proceeds are insufficient to pay for the Costs of the Project in full, the Borrower shall pay from its own funds and without any right of reimbursement from DEQ all such Costs of the Project in excess of the Loan proceeds.

(3) The Borrower is and will be the owner of the Facility and the Project and shall defend them against the claims and demands of all other persons at any time claiming the same or any interest therein.

(4) The Borrower shall not sell, lease, transfer, or encumber or enter into any management agreement or special use agreement with respect to the Facility or any financial or fixed asset of the utility system that produces the Net Revenues without DEQ's prior written approval, which approval may be withheld for any reason. Upon sale, transfer or encumbrance of the Facility or the Project, in whole or in part, to a private person or entity, this Loan shall be immediately due and payable in full.

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

(6) The Borrower shall take no action that would adversely affect the eligibility of the Project as a CWSRF project or cause a violation of any Loan covenant in this Agreement.

(7) The Borrower shall undertake the Project, request disbursements under this Loan Agreement, and use the Loan proceeds in full compliance with all applicable laws and regulations of the State of Oregon, including but not limited to ORS Chapter 468 and Oregon Administrative Rules Sections 340-054-0005 to 340-054-0065, as they may be amended from time to time, and all applicable federal authorities and laws and regulations of the United States, including but not limited to Title VI of the Clean Water Act as amended by the Water Quality Act of 1987, Public Law 100-4, the federal cross-cutters listed at APPENDIX D, the equal employment opportunity provisions in APPENDIX F, and the regulations of the U.S. Environmental Protection Agency, all as they may be amended from time to time.

(8) The Borrower shall keep the Facility in good repair and working order at all times and operate the Facility in an efficient and economical manner. The Borrower shall provide the necessary resources for adequate operation, maintenance and replacement of the Project and retain sufficient personnel to operate the Facility.

(9) Interest paid on this Loan Agreement is *not* excludable from gross income under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). However, DEQ may have funded this Loan with the proceeds of State bonds that bear interest that is excludable from gross income under Section 103(a) of the Code. Section 141 of the Code requires that the State not allow the proceeds of the State bonds to be used by private entities (including the federal government) in such a way that the State bonds would become "private activity bonds" as defined in Section 141 of the Code. To protect the State bonds the Borrower agrees that it shall not use the Loan proceeds or lease, transfer or otherwise permit the use of the Project by any private person or entity in any way that that would cause this Loan Agreement or the State bonds to be treated as "private activity bonds" under Section 141 of the Code and the regulations promulgated under that Section of the Code.

(B) DEBT SERVICE COVERAGE REQUIREMENT; WASTEWATER RATE COVENANT; REPORTING.

(1) Debt Service Coverage Requirement. The Borrower shall maintain wastewater rates and charge fees in connection with the operation of the Facility that are adequate to generate Net Revenues in each fiscal year sufficient to pay (i) all debt service (excluding debt service on the Loan), (ii) all other financial obligations imposed in connection with prior lien obligations of the Borrower, and (iii) an amount equal to the debt service coverage factor of 105% multiplied by the debt service payments due under this Loan Agreement in that fiscal year.

(2) Wastewater Rate Adjustments. The Borrower shall review its wastewater rates and fees at least annually. If, in any fiscal year, the Borrower fails to collect fees sufficient to meet the debt service coverage requirement described in ARTICLE 5(B)(1), the Borrower shall promptly adjust its wastewater rates and fees to assure future compliance with such coverage requirement. The Borrower's adjustment of the wastewater rates and fees does not constitute a cure of any default by the Borrower of the debt service coverage requirement set forth in ARTICLE 5(B)(1). The Borrower's failure to adjust rates shall not, at the discretion of DEQ, constitute a default if the Borrower transfers to the fund that holds the Net Revenues unencumbered resources in an amount equal to the revenue deficiency from the Facility that produces the Net Revenues.

(3) **Reporting Requirement.** By December 31 of each year the Borrower shall provide DEQ with a report that demonstrates the Borrower's compliance with the requirements of this ARTICLE 5(B). If the audit report described in ARTICLE 5(F) identifies the Net Revenues and contains a calculation demonstrating the Borrower's satisfaction of the requirements of this ARTICLE 5(B), that audit will satisfy the requirements of this ARTICLE 5(B)(3).

(C) LOAN RESERVE REQUIREMENT; LOAN RESERVE ACCOUNT.

(1) **Loan Reserve Requirement.** The Loan reserve requirement equals one-half of the average annual debt service based on the final Payment Schedule. Until the Final Loan Amount is calculated, the Loan reserve requirement is \$110,378. The Borrower shall deposit the Loan reserve requirement amount into the Loan Reserve Account no later than the date the first payment is due hereunder.

(2) **Loan Reserve Account.** The Borrower shall create a segregated Loan Reserve Account that shall be held in trust for the benefit of DEQ. The Borrower hereby grants DEQ a security interest in and irrevocably pledges amounts in the Loan Reserve Account to pay the amounts due under this Loan Agreement. The funds in Loan Reserve Account so pledged and hereafter received by the Borrower shall immediately be subject to the lien of such pledge without physical delivery or further act, and the lien of the pledge shall be superior to all other claims and liens whatsoever, to the fullest extent permitted by ORS 287A.310. The Borrower represents and warrants that the pledge of the Loan Reserve Account hereby made by the Borrower complies with, and shall be valid and binding from the date of this Agreement pursuant to, ORS 287A.310. The Borrower shall use the funds in the Loan Reserve Account solely to pay amounts due hereunder until the principal, interest, fees, and any other amounts due hereunder have been fully paid.

(3) **Additional Deposits.** If the balance in the Loan Reserve Account falls below the Loan reserve requirement, the Borrower shall promptly deposit from the first Net Revenues available after payment of the amounts due hereunder (unless the Borrower has previously made such deposit from other money of the Borrower) an amount sufficient to restore the balance up to the Loan reserve requirement.

(D) **INSURANCE.** At its own expense, the Borrower shall, during the term of this Agreement, procure and maintain insurance coverage (including, but not limited to, hazard, flood and general liability insurance) adequate to protect DEQ's interest and in such amounts and against such risks as are usually insurable in connection with similar projects and as is usually carried by entities operating similar facilities. The insurance shall be with an entity which is acceptable to DEQ. The Borrower shall provide evidence of such insurance to DEQ. Self-insurance maintained pursuant to a recognized municipal program of self-insurance will satisfy this requirement.

(E) INDEMNIFICATION. *The Borrower shall, to the extent permitted by law and the Oregon Constitution, indemnify, save and hold the State, its officers, agents and employees harmless from and (subject to ORS Chapter 180) defend each of them against any and all claims, suits, actions, losses, damages, liabilities, cost and expenses of any nature whatsoever resulting from, arising out of or relating to the acts or omissions of the Borrower or its officers, employees, subcontractors or agents in regard to this Agreement or the Project.*

(F) THE BORROWER'S FINANCIAL RECORDS; FINANCIAL REPORTING REQUIREMENTS.

(1) Financial Records. The Borrower shall keep proper and complete books of record and account and maintain all fiscal records related to this Agreement, the Project, and the Facility in accordance with generally accepted accounting principles, generally accepted government accounting standards, the requirements of the Governmental Accounting Standards Board, and state minimum standards for audits of municipal corporations. The Borrower must maintain separate Project accounts in accordance with generally accepted government accounting standards promulgated by the Governmental Accounting Standards Board. The Borrower will permit DEQ and the Oregon Secretary of State and their representatives to inspect its properties, and all work done, labor performed and materials furnished in and about the Project, and DEQ, the Oregon Secretary of State and the federal government and their duly authorized representatives shall have access to the Borrower's fiscal records and other books, documents, papers, plans and writings that are pertinent to this Agreement to perform examinations and audits and make excerpts and transcripts and take copies.

(2) Record Retention Period. The Borrower shall retain and keep accessible files and records relating to the Project for at least six (6) years (or such longer period as may be required by applicable law) after Project completion as determined by DEQ and financial files and records until all amounts due under this Loan Agreement are fully repaid, or until the conclusion of any audit, controversy, or litigation arising out of or related to this Agreement, whichever date is later.

(3) Accounting for Costs of the Project. Borrower shall provide to DEQ, as soon as possible, but in no event later than six (6) months following the Project Completion Date, a full and complete accounting of the Costs of the Project, including but not limited to documentation to support each cost element and a summary of the Costs of the Project and the sources of funding.

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

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

of any subrecipient(s), contractor(s), or subcontractor(s) of the Borrower responsible for the financial management of funds received under this Agreement.

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

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

(G) **DBE GOOD FAITH EFFORT.** Pursuant to the good faith efforts described in APPENDIX C, the Borrower shall make a good faith effort to promote fair share awards to Minority Business Enterprises (“MBE”), Women's Business Enterprises (“WBE”), and Small Businesses in Rural Areas (“SBRA”) on all contracts and subcontracts awarded as part of the Project. The Borrower agrees to include, in its contract(s) with its prime contractor(s), the following language, which must not be altered in any way:

“The contractor shall not discriminate on the basis of race, color, national origin or sex in the performance of this contract. The contractor shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the contractor to carry out these requirements is a material breach of this contract which may result in the termination of this contract or other legally available remedies.”

The Borrower also agrees to include, in its contract(s) with its prime contractor(s), and shall cause each contract awarded by its prime contractor(s) to include, language to the following effect (the exact language may vary):

(1) A prime contractor must pay its subcontractor(s) no more than 30 days from the prime contractor’s receipt of payment from the Borrower.

(2) The Borrower must be notified in writing by its prime contractor prior to any termination of a DBE subcontractor for convenience by the prime contractor.

(3) If a DBE subcontractor fails to complete work under the subcontract for any reason, the prime contractor must employ the Six Good Faith Efforts as described in 40 C.F.R. 33.301 if soliciting a replacement subcontractor.

(4) A prime contractor must employ the Six Good Faith Efforts even if the prime contractor has achieved its Fair Share Objectives under Subpart D of 40 C.F.R. Part 33.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(9) Project Initiation of Operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 7: DISCLAIMERS BY DEQ; LIMITATION OF DEQ'S LIABILITY

(A) **DISCLAIMER OF ANY WARRANTY.** DEQ EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, REGARDING THE PROJECT, THE QUALITY OF MATERIALS SUPPLIED TO AND THAT BECOME A PART OF THE PROJECT, THE QUALITY OF THE WORKMANSHIP PERFORMED UPON THE PROJECT, OR THE EXTENT AND STAGE OF COMPLETION OF THE PROJECT. No such warranty or guarantee shall be implied by virtue of any inspection or disbursement made by DEQ. Any inspection done by DEQ shall be for its sole benefit.

(B) **DISCLAIMER OF LIABILITY OF DEQ.** DEQ EXPRESSLY DISCLAIMS LIABILITY OF ANY KIND OR CHARACTER WHATSOEVER FOR PAYMENT OF LABOR OR MATERIALS OR OTHERWISE IN CONNECTION WITH THE COMPLETION OF THE PROJECT OR CONTRACTS ENTERED INTO BY THE BORROWER WITH THIRD PARTIES FOR THE COMPLETION OF THE PROJECT. All Project costs of labor,

materials and construction, including any indirect costs, shall be the responsibility of and shall be paid by the Borrower.

(C) NONLIABILITY OF STATE.

(1) The State and its officers, agents and employees shall not be liable to the Borrower or to any other party for any death, injury, damage, or loss that may result to any person or property by or from any cause whatsoever, arising out of any defects in the plans, design drawings and specifications for the Project, any agreements or documents between the Borrower and third parties related to the Project or any activities related to the Project. DEQ shall not be responsible for verifying cost-effectiveness of the Project, doing cost comparisons or reviewing or monitoring compliance by the Borrower or any other party with state procurement laws and regulations.

(2) The Borrower hereby expressly releases and discharges DEQ, its officers, agents and employees from all liabilities, obligations and claims arising out of the Project work or under the Loan, subject only to exceptions previously agreed upon in writing by the parties.

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

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

ARTICLE 8: DEFAULT AND REMEDIES

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

(1) The Borrower fails to make any Loan payment within thirty (30) days after the payment is scheduled to be made according to the repayment schedule;

(2) Any representation or warranty made by the Borrower hereunder was untrue in any material respect as of the date it was made;

(3) The Borrower becomes insolvent or admits in writing an inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee or receiver for the Borrower or a substantial part of its property; or in the absence of such application, consent, or acquiescence, a trustee or receiver is appointed for the Borrower or a substantial part of its property and is not discharged within sixty (60) days; or any bankruptcy, reorganization, debt arrangement or moratorium or any dissolution or liquidation proceeding is instituted by or against the Borrower and, if instituted against the

Borrower, is consented to or acquiesced in by the Borrower or is not dismissed within twenty (20) days;

(4) As a result of any changes in the United States Constitution or the Oregon Constitution or as a result of any legislative, judicial, or administrative action, any part of this Loan Agreement becomes void, unenforceable or impossible to perform in accordance with the intent and purposes of the parties hereto or is declared unlawful;

(5) The Borrower defaults in the performance or observance of any covenants or agreements contained in any loan documents between itself and any lender or lenders, and the default remains uncured upon the expiration of any cure period provided by said loan documents; or

(6) The Borrower fails to cure non-compliance in any material respect with any other covenant, condition, or agreement of the Borrower hereunder, other than as set forth in (1) through (5) above within a period of thirty (30) days after DEQ provides notice of the noncompliance.

(B) REMEDIES. If DEQ determines that an Event of Default has occurred, DEQ may, without further notice:

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

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

(3) Appoint a receiver, at the Borrower's expense, to operate the Facility that produces the Net Revenues and collect the Gross Revenues;

(4) Set and collect utility rates and charges;

(5) Pay, compromise or settle any liens on the Facility or the Project or pay other sums required to be paid by the Borrower in connection with the Project, at DEQ's discretion, using the Loan proceeds and such additional money as may be required. If DEQ pays any encumbrance, lien, claim, or demand, it shall be subrogated, to the extent of the amount of such payment, to all the rights, powers, privileges, and remedies of the holder of the encumbrance, lien, claim, or demand, as the case may be. Any such subrogation rights shall be additional cumulative security for the amounts due under this Loan Agreement;

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

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

ARTICLE 9: DEFINITIONS

(A) **“BORROWER”** means the public agency (as defined in ORS 468.423(2)) shown as the “Borrower” in Article 1(A) of this Agreement.

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

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

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

(D) **“CWSRF PROGRAM” or “CWSRF”** means the Clean Water State Revolving Fund and the Clean Water State Revolving Fund Loan Program, a fund and loan program administered by DEQ under ORS 468.423 to 468.440.

(E) **“DEQ”** means the Oregon Department of Environmental Quality.

(F) **“DIRECTOR”** means the Director of DEQ or the Director's authorized representative.

(G) **“FACILITY”** means all property owned or used by the Borrower to provide wastewater collection, treatment and disposal services, of which the Project is a part.

(H) **“FINAL LOAN AMOUNT”** means the total of all Loan proceeds disbursed to the Borrower under the Loan Agreement, determined on the date on which the Borrower indicates that no further Loan funds will be requested, all eligible expenditures have been reimbursed from the Loan proceeds, or all Loan proceeds have been disbursed hereunder, whichever occurs first.

(I) **“GROSS REVENUES”** means all fees and charges resulting from operation of the Facility and any interest earnings thereon; provided however, Gross Revenues does not include: the proceeds of any grants; the proceeds of any borrowings for capital improvements; the proceeds of any liability insurance; or the proceeds of any casualty insurance which the Borrower intends to and does utilize for repair or replacement of the Facility or a part thereof.

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

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

(L) **“LOAN AGREEMENT”** or **“AGREEMENT”** means this loan agreement and its exhibits, appendices, schedules and attachments (which are by this reference incorporated herein), and any amendments thereto.

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

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

(O) **“LOBBYING”** means influencing or attempting to influence a member, officer or employee of a governmental agency or legislature in connection with the awarding of a government contract, the making of a government grant or loan or the entering into of a cooperative agreement with such governmental entity or the extension, continuation, renewal, amendment or modification of any of the above.

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

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

(R) **“OPERATING EXPENSES”** means all direct and indirect expenses incurred for operation, maintenance and repair of the Facility, including but is not limited to administrative expenses, legal, financial and accounting expenses, insurance premiums, claims (to the extent that monies are not available from insurance proceeds), taxes, engineering expenses relating to operation and maintenance, payments and reserves for pension, retirement, health, hospitalization, and sick leave benefits, and any other similar expenses to be paid to the extent properly and directly attributable to operations of the Facility. Operating expenses include an appropriate amount for reserves for repair and replacement of the Facility based on the expected life of the collection, treatment and disposal facilities.

(S) **“OUTSTANDING LOAN AMOUNT”** means, as of any date, the sum of all disbursements to the Borrower hereunder less the sum of all Loan principal payments received by DEQ.

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

(U) **“REPAYMENT PERIOD”** means the repayment period ending on the date specified in ARTICLE 1(H) which date shall not in any event be later than twenty (20) years after the Completion Date.

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

ARTICLE 10: MISCELLANEOUS

(A) **NOTICES.** All notices, payments, statements, demands, requests or other communications under this Loan Agreement by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered by personal delivery, by certified mail, return receipt requested, or by facsimile transmission, and, if to the Borrower, delivered, addressed or transmitted to the location or number listed in ARTICLE 1(B), and if to DEQ, delivered, addressed or transmitted to:

Clean Water State Revolving Fund Loan Program
Water Quality Division
Department of Environmental Quality
700 NE Multnomah St., #600
Portland, Oregon 97235
Fax (503) 229-6037

or to such other addresses or numbers as the parties may from time to time designate. Any notice or other communication so addressed and mailed shall be deemed to be given five (5) days after mailing. Any notice or other communication delivered by facsimile shall be deemed to be given when receipt of the transmission is generated by the transmitting machine. To be effective against DEQ, such facsimile transmission must be confirmed by telephone notice to DEQ's CWSRF Program Coordinator. Any notice or other communication by personal delivery shall be deemed to be given when actually delivered.

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

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

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

(C) **TIME IS OF THE ESSENCE.** The Borrower agrees that time is of the essence under this Loan Agreement.

(D) **RELATIONSHIP OF PARTIES.** The parties agree and acknowledge that their relationship is that of independent contracting parties, and neither party hereto shall be deemed an agent, partner, joint venturer or related entity of the other by reason of this Loan Agreement.

(E) **NO THIRD PARTY BENEFICIARIES.** DEQ and the Borrower are the only parties to this Loan Agreement and are the only parties entitled to enforce the terms of this Loan Agreement. Nothing in this Loan Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right not held by or made generally available to the public, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Loan Agreement. Any inspections, audits, reports or other assurances done or obtained, or approvals or consents given, by DEQ are for its benefit only for the purposes of administering this Loan and the CWSRF Program.

(F) **ASSIGNMENT.** DEQ shall have the right to transfer the Loan or any part thereof, or assign any or all of its rights under this Loan Agreement, at any time after execution of this Loan Agreement upon written notice to the Borrower. Provisions of this Loan Agreement shall inure to the benefit of DEQ's successors and assigns. This Loan Agreement or any interest therein may be assigned or transferred by the Borrower only with DEQ's prior written approval (which consent may be withheld for any reason), and any assignment or transfer by the Borrower in contravention of this ARTICLE 10(F) shall be null and void.

(G) **DEQ NOT REQUIRED TO ACT.** Nothing contained in this Loan Agreement requires DEQ to incur any expense or to take any action hereunder in regards to the Project.

(H) **FURTHER ASSURANCES.** The Borrower and DEQ agree to execute and deliver any written instruments necessary to carry out any agreement, term, condition or assurance in this Loan Agreement whenever a party makes a reasonable request to the other party for such instruments.

(I) **VALIDITY AND SEVERABILITY; SURVIVAL.** If any part, term, or provision of this Loan Agreement or of any other Loan document shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by either party, the validity of the remaining portions, terms and provisions shall not be affected, and all such remaining portions, terms and provisions shall remain in full force and effect. Any provision of this Agreement which by its nature or terms is intended to survive termination, including but not limited to ARTICLE 5(E), shall survive termination of this Agreement.

(J) **NO CONSTRUCTION AGAINST DRAFTER.** Both parties acknowledge that they are each represented by and have sought the advice of counsel in connection with this Loan Agreement and the transactions contemplated hereby and have read and understand the terms of this Loan Agreement. The terms of this Loan Agreement shall not be construed against either party as the drafter hereof.

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

(L) ATTORNEYS' FEES AND EXPENSES. In any action or suit to enforce any right or remedy under this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs, to the extent permitted by law.

(M) CHOICE OF LAW; DESIGNATION OF FORUM; FEDERAL FORUM.

(1) The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

(2) Any party bringing a legal action or proceeding against any other party arising out of or relating to this Agreement shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

(3) Notwithstanding ARTICLE 10(M)(2), if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This ARTICLE 10(M)(3) applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This ARTICLE 10(M)(3) is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

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

(O) ENTIRE AGREEMENT; AMENDMENTS. This Loan Agreement, including all appendices and attachments that are by this reference incorporated herein, constitutes the entire agreement between the Borrower and DEQ on the subject matter hereof, and it shall be binding on the parties thereto when executed by all the parties and when all approvals required to be obtained by DEQ have been obtained. This Loan Agreement, including all related Loan documents and instruments, may not be amended, changed, modified, or altered without the written consent of the parties.

CITY OF SANDY

By: _____ Date _____
Authorized Officer

Typed Name: _____
Title: _____

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

By: _____ Date _____
Justin Green, Administrator
Water Quality Division

APPENDIX A: PRELIMINARY REPAYMENT SCHEDULE

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

BORROWER:	City of Sandy	INTEREST RATE:	1.22%
SRF LOAN NO.:	R14525	TERM IN YEARS:	20
LOAN AMOUNT:	\$ 5,675,000	PAYMENT AMOUNT:	\$ 163,949
		ANNUAL FEE:	0.50%

Due Date	Pmt#	PAYMENT				Principal Balance
		Principal	Interest	Fees	Total	
						5,675,000
8/1/2022	1	0	227,473	0	227,473	5,675,000
2/1/2023	2	129,331	34,618	28,375	192,324	5,545,669
8/1/2023	3	130,120	33,829	0	163,949	5,415,549
2/1/2024	4	130,914	33,035	27,078	191,027	5,284,635
8/1/2024	5	131,713	32,236	0	163,949	5,152,922
2/1/2025	6	132,516	31,433	25,765	189,714	5,020,406
8/1/2025	7	133,325	30,624	0	163,949	4,887,081
2/1/2026	8	134,138	29,811	24,435	188,384	4,752,943
8/1/2026	9	134,956	28,993	0	163,949	4,617,987
2/1/2027	10	135,779	28,170	23,090	187,039	4,482,208
8/1/2027	11	136,608	27,341	0	163,949	4,345,600
2/1/2028	12	137,441	26,508	21,728	185,677	4,208,159
8/1/2028	13	138,279	25,670	0	163,949	4,069,880
2/1/2029	14	139,123	24,826	20,349	184,298	3,930,757
8/1/2029	15	139,971	23,978	0	163,949	3,790,786
2/1/2030	16	140,825	23,124	18,954	182,903	3,649,961
8/1/2030	17	141,684	22,265	0	163,949	3,508,277
2/1/2031	18	142,549	21,400	17,541	181,490	3,365,728
8/1/2031	19	143,418	20,531	0	163,949	3,222,310
2/1/2032	20	144,293	19,656	16,112	180,061	3,078,017
8/1/2032	21	145,173	18,776	0	163,949	2,932,844
2/1/2033	22	146,059	17,890	14,664	178,613	2,786,785
8/1/2033	23	146,950	16,999	0	163,949	2,639,835
2/1/2034	24	147,846	16,103	13,199	177,148	2,491,989
8/1/2034	25	148,748	15,201	0	163,949	2,343,241
2/1/2035	26	149,655	14,294	11,716	175,665	2,193,586
8/1/2035	27	150,568	13,381	0	163,949	2,043,018
2/1/2036	28	151,487	12,462	10,215	174,164	1,891,531
8/1/2036	29	152,411	11,538	0	163,949	1,739,120
2/1/2037	30	153,340	10,609	8,696	172,645	1,585,780
8/1/2037	31	154,276	9,673	0	163,949	1,431,504
2/1/2038	32	155,217	8,732	7,158	171,107	1,276,287
8/1/2038	33	156,164	7,785	0	163,949	1,120,123
2/1/2039	34	157,116	6,833	5,601	169,550	963,007
8/1/2039	35	158,075	5,874	0	163,949	804,932
2/1/2040	36	159,039	4,910	4,025	167,974	645,893
8/1/2040	37	160,009	3,940	0	163,949	485,884
2/1/2041	38	160,985	2,964	2,429	166,378	324,899
8/1/2041	39	161,967	1,982	0	163,949	162,932
2/1/2042	40	162,932	994	815	164,741	0
TOTALS		5,675,000	946,461	301,945	6,923,406	
REQUIRED LOAN RESERVE:		\$	110,358			

APPENDIX B: ESTIMATED CWSRF LOAN DISBURSEMENT SCHEDULE

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

Disb. Number	Disb. Amount	Disb. Date
1	709,375	6/1/2021
2	709,375	9/1/2021
3	709,375	12/1/2021
4	709,375	3/1/2022
5	709,375	6/1/2022
6	709,375	9/1/2022
7	709,375	12/1/2022
8	709,375	3/1/2023
TOTAL:	5,675,000	

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APPENDIX C: DBE GOOD FAITH EFFORTS

At a minimum the Borrower or its prime contractor must take six affirmative steps (which apply to any procurement of construction, supplies, equipment or services) to demonstrate good faith effort to utilize minority (MBE), women-owned (WBE) and small (SBE) businesses. The six steps are:

- 1) To include qualified small, minority and women's businesses on solicitation lists;
- 2) To assure that small, minority and women's businesses are solicited whenever they are potential sources;
- 3) To divide total requirements, whenever economically feasible, into smaller tasks or quantities to permit maximum participation by small, minority or women's businesses;
- 4) To establish delivery schedules whenever the requirements of the work permit, which will encourage participation by small, minority and women's businesses;
- 5) To use the services and assistance of the Small Business Administration (<http://pro-net.sba.gov>) and the Office of Minority Business Enterprise of the U.S. Department of Commerce (<http://www.mbda.gov>) to identify appropriate small, minority and women businesses; and
- 6) To require subcontractors to take all of the affirmative action steps described above and set forth in 40 CFR 35.3145(d) in any contract awards or procurements.

The Borrower shall, and shall cause its contractors to, document compliance with the above requirements on forms found at Tab 6 of the Manual for Construction Projects.

Additional resources available to recipients and contractors include the following:

EPA Office of Small and Disadvantaged Business Utilization:

Phone: 206 – 553 – 2931

Web Site: www.epa.gov/osdbu

Oregon Office of Minority, Women and Emerging Small Business

350 Winter Street N.E., Room 300

Salem, OR 97301-3878

Phone: 503 – 947 – 7922

Web Site: www.cbs.state.or.us/omwesb

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

ENVIRONMENTAL LEGISLATION:

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

ECONOMIC LEGISLATION:

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

SOCIAL LEGISLATION:

The Age Discrimination Act of 1975, Pub. L. No. 94-135, 89 Stat. 713, 42 U.S.C. §6102 (1994).
Civil Rights Act of 1964, Pub. L. No. 88-352, 78 Stat. 252, 42 U.S.C. §2000d (1988).
Section 13 of PL 92-500; Prohibition against Sex Discrimination under the Federal Water Pollution
Control Act.
Rehabilitation Act of 1973, Pub. L. No. 93-1123, 87 Stat. 355, 29 U.S.C. §794 (1988), including
Executive Orders 11914 and 11250).
Executive Order 12898, Environmental Justice in Minority Populations
Exec. Order No. 11,246, 30 F.R. 12319 (1965), *as amended by* Exec. Order No. 11,375, 32 F.R.
14303 (1967), *reprinted in* 42 U.S.C. §2000e (1994), and its regulations at 41 C.F.R. §§60-
1.1 to 60-999.1.

MISCELLANEOUS AUTHORITY:

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

APPENDIX E: DAVIS-BACON PROVISION

Part 1

(1) Minimum wages.

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

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

Subrecipients may obtain wage determinations from the U.S. Department of Labor's web site, www.dol.gov.

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

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

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

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

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

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

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

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

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

(3) Payrolls and basic records.

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

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

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

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

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

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

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

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

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

(4) Apprentices and trainees--

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

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

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

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

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Subrecipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

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

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

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

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

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

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

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

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

5. Compliance Verification

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

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

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

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

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

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APPENDIX F
EQUAL EMPLOYMENT OPPORTUNITY

During the performance of this contract the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
- (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- (3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- (6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and

remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

- (7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: *Provided, however,* that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

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**APPENDIX G: CERTIFICATION REGARDING LOBBYING
(Contracts in Excess of \$100,000.00)**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Borrower, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signed _____

Title _____

Date _____

Recipient _____

APPENDIX H: AMERICAN IRON AND STEEL (“AIS”) REQUIREMENT

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

EXHIBIT B



March 17, 2021

SENT VIA ELECTRONIC MAIL (mwalker@ci.sandy.or.us)

Mike Walker, Public Works Director
City of Sandy
39250 Pioneer Blvd.
Sandy, OR 97055

Re: Clean Water State Revolving Fund Loan Agreement No. R80942
Opinion of Counsel Letter

Dear Mike:

Per your request, please find our opinion below. You may include this letter with other materials you provide ODEQ in connection with the loan.

1. Once approved by the Sandy City Council, the city has the power and authority to execute, deliver and perform its obligations under Loan Agreement No. R80942.
2. Once approved by the Sandy City Council, an authorized representative from the city may execute the Loan Agreement and it will then be valid, binding and enforceable by and against the city in accordance with the terms of the Loan Agreement.
3. To our present knowledge, the amendment does not violate any other agreement, statute, court order, or law to which the city is a party or by which it or any of its property or assets is bound.
4. The "Gross Revenues" from which the "Net Revenues" are derived and that are used as security for the loan will not constitute taxes that are limited by Section 11b, Article XI of the Oregon Constitution.

Please let me know if you have any questions.

Sincerely,

David Doughman



Staff Report

Meeting Date: April 5, 2021

From Jeff Aprati, City Recorder

SUBJECT: Advisory Bodies Governance and Structure

BACKGROUND:

City Staff has been engaged in an effort during the past year to reinforce the policies, structure, and procedures of the City's various commissions, committees, advisory boards, task forces, and working groups (Boards). This effort was originally prompted by the realization that in some cases Boards were operating without established seats and terms, without bylaws, and without certainty regarding public meetings requirements. Confusion also existed with respect to different classifications of Boards (e.g. what is the functional difference between a commission and an advisory board? What is the proper method for establishing a task force?)

While steps were taken during 2020 and early 2021 to establish formal seats and terms for several Boards, the proposal currently before the Council represents the largest and most comprehensive effort thus far to establish a clear operating framework for the City's Board system.

Board Governance Resolution

This resolution (number yet to be assigned) is designed to replace the "ADMIN 100" policy, [adopted in May 2018](#), which is the only document currently providing standard procedures for Board operations. ADMIN 100 is problematic for multiple reasons: it contains inconsistencies, errors, and redundancies; it fails to apply to certain bodies, such as the Planning Commission; and given that it is styled as an administrative policy, its controlling authority is questionable.

While each Board's bylaws contain specific requirements unique to the body, this governance resolution establishes standard procedures and practices. These include:

- Seat terms
- Vacancies and application process
- Bylaws
- Code of Conduct adherence
- Board liaisons

Board Operational Framework

The Board Operational Framework matrix proposes a system of differentiated Board types with varying levels of formality and flexibility. An overview of the proposed Board categories is below:

- Statutory Bodies: bodies prescribed by State law, including the Planning Commission and Budget Committee. These bodies have a degree of independent decision-making authority. Established by Council ordinance.
- Advisory Boards: most of the current permanent bodies fall into this category. They conduct public meetings, operate under bylaws, and have members appointed by the Council to specific seats with terms. Established by Council resolution.
- Task Forces: A flexible category that can include Councilors, residents, and potentially staff as members. Task Forces operate on a limited timescale for a specific purpose. They generally do not have bylaws or conduct public meetings (though they could if desired). Established by Council motion.
- City Council Subcommittees: Formed to allow a subset of Councilors to work on or study a specific issue and bring a recommendation back for consideration. Established by Council motion.
- Project Advisory Committees: Formed by the City Manager to provide input and feedback on City projects and initiatives. Membership is flexible and the timeline is temporary (likely the length of the specific project).

Boards Requiring Specific Council Action

Several existing bodies are in need of Council action at this time, as detailed in the table below:

	Creation Resolution Adopted?	Bylaws Adopted?	Members Recruited?
SandyNet Advisory Board	Yes	No	No
Arts Advisory Board	No	No	No
Economic Development Advisory Board	No	No	Yes
Community Campus / Aquatics	No	No	No

Staff has prepared the needed resolutions and bylaws documents for the Council's consideration. Council Members are also needed to serve on interview task forces for the Arts and SandyNet Advisory Boards.

RECOMMENDATION:

Staff recommends the following two actions:

- Review the Governance Resolution, Board Framework, draft bylaws, and draft resolutions, and provide Staff with any desired alterations
- Designate **three** Council Members to serve on interview panels for **each** of the following bodies:
 - Arts Advisory Board
 - SandyNet Advisory Board

LIST OF ATTACHMENTS/EXHIBITS:

- Board Governance Resolution
- Board Operational Framework
- Economic Development Advisory Board
 - Creation Resolution
 - Bylaws
 - Seat Appointments and Terms
- Arts Advisory Board
 - Creation Resolution
 - Bylaws
 - Ordinance repealing Title 18
- SandyNet Advisory Board
 - Bylaws

RESOLUTION 2021-XX: A RESOLUTION ESTABLISHING STANDARD PROCEDURES FOR CITY BOARDS

WHEREAS the City Council significantly values the input and expertise of its various advisory bodies; and

WHEREAS the City Council recognizes the importance of establishing clear policies and procedures to standardize the operations of its various advisory bodies; and

WHEREAS the City Council wishes to establish a variety of advisory body classifications to meet the various policy development needs of the City; and

WHEREAS the City Council wishes to replace and expand upon the existing advisory body policy document known as "ADMIN 100;"

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sandy:

SECTION 1: DEFINITIONS

1.1 For the purposes of this Resolution, the term "Board" is intended to apply to all commissions, committees, advisory boards, subcommittees, task forces, and project advisory committees.

SECTION 2: BOARD CATEGORIES

2.1 Each Board will be classified into one of the following categories:

- Statutory Bodies
- Advisory Boards
- Task Forces
- City Council Subcommittees
- Project Advisory Committees

2.2 These categories of Boards will be structured and operate in accordance with the Board Operational Framework, attached herein as Appendix A.

SECTION 3: BOARD SEAT TERMS

3.1 The seat term parameters set forth in this section apply to Statutory Bodies and Advisory Boards.

3.2 Seat terms are four years in length, starting New Year's Day and ending New Year's Eve. (Example: 1/1/2021 through 12/31/2024).

3.3 Seat terms shall exist in two staggered cohorts. Approximately half of the seats on a board are assigned the same term beginning and end date, while the other half share a different term beginning and end date.

3.4 Members appointed to Boards by the City Council are assigned to a specific seat and serve until the expiration of the seat's term. Members appointed to fill vacancies serve for the remainder of the unexpired term.

3.5 Incumbent members may apply for reappointment at the expiration of their existing terms (see Section 4 of this resolution).

3.6 The City Recorder will maintain the official roster of Board seats, terms, and members.

SECTION 4: SEAT VACANCIES

4.1 All applicants seeking appointment to Statutory Bodies and Advisory Boards (and Task Forces if required in any applicable bylaws; see Section 5), whether incumbent members applying for reappointment or new applicants, will undergo the application and interview process outlined in this section.

4.1.1 The City Manager or City Council Members, if selected to serve as Board members, are exempt from the requirements of this section.

4.2 Prior to the expiration of a seat's term, city staff will proactively publicize the upcoming vacancy and collect applications from interested parties.

4.3 Applicants for Board seats will be interviewed by a panel consisting of three Council Members and the Chair of the applicable Board. In the event the Chair is the applicant, the Vice Chair will serve on the interview panel. In the event both the Chair and Vice Chair are applicants, the Board will select one of its members to serve on the interview panel.

4.4 Following the interviews, the interview panel, with the assistance of city staff, will provide appointment recommendations to the City Council.

4.5 All Board appointments will be made by the City Council at a regular public meeting.

SECTION 5: BYLAWS

5.1 All Statutory Bodies and Advisory Boards shall operate under bylaws, in the interest of providing structure and consistency. The Council may also require certain Task Forces to operate under bylaws (see Attachment A).

5.2 Bylaws must be consistent with the Sandy Municipal Code, applicable State laws and regulations, and the provisions set forth in this resolution.

5.3 Unless otherwise stipulated in the Sandy Municipal Code, bylaws must include at least the following:

5.3.1 Meeting attendance requirements

5.3.2 Meeting quorum requirements

5.3.3 Procedures for electing Board officers

5.3.4 Member qualification and/or residency requirements

5.4 Bylaws and amendments thereto must be approved by the City Council before taking effect. Boards may recommend amendments for the Council's consideration.

SECTION 6: MEMBER CONDUCT

6.1 All members of Boards are required to comport themselves in accordance with the City's Boards and Commissions Code of Conduct, originally adopted by the City Council on September 21st, 2020. The Council reserves the authority to make appointment and/or removal decisions based in whole or in part on adherence to the Code of Conduct.

SECTION 7: STAFF AND COUNCIL LIAISONS

7.1 The Mayor will designate a non-voting City Council Liaison to each Board for the purpose of facilitating communication and coordinating policy development.

7.2 The City Manager will designate a non-voting Staff Liaison to each Board for the purpose of providing administrative and logistical support to the body.

7.3 Neither City Council nor Staff Liaisons will be counted toward the constitution of a quorum at any meeting.

SECTION 8: PREEMPTION

8.1 Nothing in this resolution purports to preempt any higher legal authority, including, but not limited to, the Sandy Municipal Code, the Sandy City Charter, Oregon Revised Statutes, or Oregon Administrative Rules.

SECTION 9: REPEAL OF PREVIOUS POLICY

9.1 The City of Sandy Advisory Boards, Commissions and Committee Policy, known as "ADMIN 100," enacted on May 21, 2018, is hereby repealed.

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SANDY BOARD OPERATIONAL FRAMEWORK

	Intended Duration	Membership	Seat Terms	Interview / Application process required?	Members appointed by:	Public Meetings Required?	Official recommendations made to:	Bylaws required?	Body established through:	Examples
Statutory Bodies: Planning Commission and Budget Committee	Permanent	Area residents (as prescribed in Bylaws)	4 years / staggered cohorts	Yes	Council motion	Yes	City Council	Yes	Council ordinance	Planning Commission
Advisory Boards	Permanent	Area residents (as prescribed in Bylaws)	4 years / staggered cohorts	Yes	Council motion	Yes	City Council	Yes	Council resolution	Library Advisory Board
Task Forces	Temporary (until specific purpose is fulfilled)	Flexible, based on purpose. Could include residents, staff, and/or up to 3 Councilors (avoid quorum)	Serve indefinitely until/unless resignation, removal, or Board disbanded	No (unless specified in Bylaws)	Council motion or Mayor appointment	No (can be made public if desired)	Mayor, who then communicates it to the Council (public meetings not necessary)	No (can be established if desired by Council)	Council motion	Social Services Task force; Interview Panel for committee appointments
City Council Subcommittees	Temporary (until specific purpose is fulfilled)	Up to 3 City Councilors	n/a	No	Council motion or Mayor appointment	No (can be made public if desired)	Mayor, who then communicates it to the Council (public meetings not necessary)	n/a	Council motion	Wastewater Project Oversight Committee; Survey Working Group
Project Advisory Committees	Temporary (until specific purpose is fulfilled)	Flexible, based on purpose. Could include residents, staff, and/or up to 3 Councilors (avoid quorum)	n/a	No	City Manager	No (can be made public if desired)	City Manager, who then communicates it to the Council (public meetings not necessary)	n/a	City Manager decision	TSP TAC; Parks Master Plan Stakeholder Committee

RESOLUTION 2021-XX: A RESOLUTION ESTABLISHING THE ECONOMIC DEVELOPMENT ADVISORY BOARD

WHEREAS the City Council recognizes the importance of economic development policy in fostering a healthy and vibrant community; and

WHEREAS the City Council values the input and expertise of Sandy's business leaders and believes they are critical stakeholders in forming effective and lasting economic development policy; and

WHEREAS the ad hoc Economic Development Committee has made significant contributions to the City over the past several years; and

WHEREAS the City Council wishes to create a permanent economic development advisory body;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sandy:

Section 1. The Economic Development Advisory Board is hereby established.

Section 2. The Economic Development Advisory Board shall operate in accordance with the bylaws set forth in Appendix A, which are hereby adopted.

Section 3. Board seats and terms are hereby established, and members are hereby appointed to seats, as detailed in Appendix B.

DRAFT



APPENDIX A

SANDY ECONOMIC DEVELOPMENT ADVISORY BOARD BYLAWS

Article I: Name

This body shall be known as the Sandy Economic Development Advisory Board (Board). It was established by Resolution 2021 XX on April , 2021. The Board is an 'Advisory Board,' per the framework established by Resolution 2021-XX.

Article II: Purpose

Advise the City Council on issues and policies related to economic development including, but not limited to, business recruitment and retention, grant programs and other development incentives, economic strategic planning.

Article III: Membership and Terms

The Board is comprised of fourteen seats, each with a four-year term. The City Council retains sole authority to appoint or remove members. Seat terms, vacancies, applications, and appointment procedures shall be conducted in accordance with the provisions of Resolution 2021-XX.

Board Members and applicants must be owners of businesses located within Sandy city limits, with two Board Members allowed to own a business within the Urban Growth Boundary or Urban Reserve area outside city limits. To ensure representation of various stakeholders in the local economy, the Board should ideally include at least one Member from the following sectors: Retail, Services, Restaurants, Tourism, and Real Estate.

Four of the fourteen Board seats shall be reserved for three members of the City Council and the City Manager, all of whom shall be voting Members.

Article IV: Officers

The officers of the Board shall be Chair and Vice Chair. The Mayor shall appoint the Chair. The Vice Chair shall be elected at the first meeting of each calendar year. Officer terms shall extend for the duration of each calendar year, with no limitation on reelection / reappointment. The Chair shall preside over meetings and maintain order. The Vice Chair shall preside in the absence of the chair.

Article V: Code of Conduct

Board Members shall abide by the Boards and Commissions Code of Conduct and/or any other such requirements established by the City Council.

Article VI: Meetings

The Board shall meet not less than four times per year. All meetings shall be held in accordance with public meetings law established by the State of Oregon. Meeting dates may be changed or canceled by the Chair, in consultation with the Staff Liaison, with prior notice to the membership. A majority of the voting membership shall constitute a quorum.

If a Member should have two (2) consecutive unexcused absences from regular meetings, he/she may be replaced with a new Member appointed by the Sandy City Council. The new appointee shall fill the former Member's unexpired term.

APPENDIX A

Article VII: Amendments

Amendments to these bylaws may be made at the City Council's discretion. The Board may propose recommended changes to the Council.

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APPENDIX B

Economic Development Advisory Board: Proposed Terms

SEAT #	NAME	TERM BEGINS	TERM ENDS
1 (Seat Reserved for Council Member)	Jeremy Pietzold	01/01/2019	12/31/2022
2 (Seat Reserved for Council Member)	Stan Pulliam	01/01/2019	12/31/2022
3 (Seat Reserved for Council Member)	Carl Exner	01/01/2019	12/31/2022
4 (Seat Reserved for City Manager)	Jordan Wheeler	01/01/2019	12/31/2022
5	Khrys Jones	01/01/2019	12/31/2022
6	Hans Wipper	01/01/2019	12/31/2022
7	Bill Schwartz	01/01/2019	12/31/2022
8	Kurt McKnight	01/01/2020	12/31/2023
9	Jason Shuler	01/01/2020	12/31/2023
10	Kathy Stuchlik	01/01/2020	12/31/2023
11	Paul Reed	01/01/2020	12/31/2023
12	Erinn Jakisch Sowle	01/01/2020	12/31/2023
13	Brandon Johnson	01/01/2020	12/31/2023
14	Ernie Brache	01/01/2020	12/31/2023

RESOLUTION 2021-XX: A RESOLUTION ESTABLISHING THE ARTS ADVISORY BOARD

WHEREAS the City Council recognizes that a robust, dynamic arts community is vital to the quality of life enjoyed by Sandy residents; and

WHEREAS Sandy is fortunate to be home to a variety of artists who are willing and able to contribute their talents; and

WHEREAS the former Arts Commission provided invaluable service and leadership; and

WHEREAS the City Council wishes to reestablish a permanent arts advisory body;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sandy:

Section 1. The Arts Advisory Board is hereby established.

Section 2. The Arts Advisory Board shall operate in accordance with the bylaws set forth in Appendix A, which are hereby adopted.

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APPENDIX A



SANDY ARTS ADVISORY BOARD BYLAWS

Article I: Name

This body shall be known as the Sandy Advisory Board (Board). It was established by Resolution 2021 XX on April, 2021. The Board is an 'Advisory Board,' per the framework established by Resolution 2021-XX.

Article II: Purpose

Provide policy recommendations to the City Council on cultural and artistic matters, develop long-term strategies and plans to cultivate art in Sandy, and encourage donations, grants, and other support to expand access to the arts in the community.

Article III: Membership and Terms

The Board is comprised of seven seats, each with a four-year term. The City Council retains sole authority to appoint or remove members. Seat terms, vacancies, applications, and appointment procedures shall be conducted in accordance with the provisions of Resolution 2021-XX.

No more than two Board Members may reside outside of the city limits of the City of Sandy. All Board Members must reside within the boundaries of the Oregon Trail School District. To ensure representation of various interests and stakeholders, the Board should ideally include members with expertise in at least one of the following areas: Visual arts, Performing arts, Arts administration, Grant writing and management.

Article IV: Officers

The officers of the Board shall be Chair and Vice Chair. Officers shall be elected at the first meeting of each calendar year. Officer terms shall extend for the duration of each calendar year, with no limitation on reelection. The Chair shall preside over meetings and maintain order. The Vice Chair shall preside in the absence of the chair.

Article V: Code of Conduct

Board Members shall abide by the Boards and Commissions Code of Conduct and/or any other such requirements established by the City Council.

Article VI: Meetings

The Board shall meet not less than four times per year. All meetings shall be held in accordance with public meetings law established by the State of Oregon. Meeting dates may be changed or canceled by the Chair, in consultation with the Staff Liaison, with prior notice to the membership. A majority of the voting membership shall constitute a quorum.

If a member should have two (2) consecutive unexcused absences from regular meetings, he/she may be replaced with a new member appointed by the Sandy City Council. The new appointee shall fill the former member's unexpired term.

Article VII: Amendments

Amendments to these bylaws may be made at the City Council's discretion. The Board may propose recommended changes to the Council.

ORDINANCE 2021-XX: AN ORDINANCE REPEALING TITLE 18 OF THE SANDY MUNICIPAL CODE

WHEREAS the City benefits from consistency among its various advisory bodies, most of which are constituted as advisory boards rather than commissions; and

WHEREAS it is appropriate for the City Council to retain final authority and responsibility for spending decisions involving public funds; and

WHEREAS the City Council intends to establish by Resolution an Arts Advisory Board to replace the previous Arts Commission

NOW, THEREFORE, THE CITY OF SANDY ORDAINS AS FOLLOWS:

Section 1. Title 18 of the Sandy Municipal Code is repealed in its entirety.

DRAFT



SANDYNET ADVISORY BOARD BYLAWS

Article I: Name

This body shall be known as the SandyNet Advisory Board (Board). It was established by Resolution 2018-14 on May 22, 2018. The Board is an 'Advisory Board,' per the framework established by Resolution 2021-XX.

Article II: Purpose

Advise the City Council on the operations, long-term strategy, growth, and scope of services offered by SandyNet, the City's municipal fiber utility, to meet the current and future needs of Sandy and the greater service area.

Article III: Membership and Terms

The Board is comprised of seven seats, each with a four-year term. The City Council retains sole authority to appoint or remove members. Seat terms, vacancies, applications, and appointment procedures shall be conducted in accordance with the provisions of Resolution 2021-XX.

No more than two Board Members may reside outside of the city limits of the City of Sandy. All Board Members must reside within the boundaries of the Oregon Trail School District. To ensure representation of various interests and stakeholders, the Board should ideally include members with at least one of the following characteristics: Occupation in relevant technology related field(s); Member of relevant technology-related board, commission, advisory group or council; Business operator/owner.

Article IV: Officers

The officers of the Board shall be Chair and Vice Chair. Officers shall be elected at the first meeting of each calendar year. Officer terms shall extend for the duration of each calendar year, with no limitation on reelection. The Chair shall preside over meetings and maintain order. The Vice Chair shall preside in the absence of the chair.

Article V: Code of Conduct

Board Members shall abide by the Boards and Commissions Code of Conduct and/or any other such requirements established by the City Council.

Article VI: Meetings

The Board shall meet not less than four times per year. All meetings shall be held in accordance with public meetings law established by the State of Oregon. Meeting dates may be changed or canceled by the Chair, in consultation with the Staff Liaison, with prior notice to the membership. A majority of the voting membership shall constitute a quorum.

If a member should have two (2) consecutive unexcused absences from regular meetings, he/she may be replaced with a new member appointed by the Sandy City Council. The new appointee shall fill the former member's unexpired term.

Article VII: Amendments

Amendments to these bylaws may be made at the City Council's discretion. The Board may propose recommended changes to the Council.



Bee City USA

City Council: April 5, 2021

Pollinators

- Bees, butterflies, moths, hummingbirds, and others
- Promote healthy food systems, environmental quality, and economic growth



The Problem

- Declining populations of pollinator species
 - 25% fewer bee species observed between 2006 and 2015 than before 1990
 - Over 20,000 fewer Monarch Butterflies counted on California coast between 2020 and 2021
- Due to a number of factors
 - Habitat loss
 - Diseases
 - Pesticide use



The Problem



The Solution

- Local encouragement of pollinator-friendly practices
 - Native plant species
 - Integrated pest management practices
 - Policy support
 - Resources and education
- Become a Bee City USA affiliate



Bee City USA

- 11 affiliate cities in Oregon
- Requirements:
 - Committee
 - Enhance pollinator habitat
 - Adopt an integrated pest management plan
 - Policy formation
 - Public outreach
 - Council resolution
 - Annual fee



Benefits to Sandy

- Enhanced biodiversity
- Expert pollinator conservation support
- Managed pesticide use
- Community building

