AGENDA
STAYTON CITY COUNCIL
Monday, July 6, 2026

Stayton Community Center
400 W. Virginia Street
Stayton, Oregon 97383

HYBRID MEETING

The Stayton City Council will be holding a hybrid meeting utilizing Zoom video conferencing software. The meeting will be in-person but can also be live streamed on the City of Stayton's YouTube account. Please use the following option to view the meeting:

City Council Regular Session – https://youtube.com/live/8N1ZVbno8h8

Public Comment and Public Hearing Testimony: Meetings allow for in-person, virtual, or written public comment. If a community member has a barrier which prevents them from participating via one of the methods below, they should contact City staff at citygovernment@staytonoregon.gov **no less than three hours prior to the meeting start time** to make arrangements to participate.

Comments and testimony are limited to three minutes. All parties interested in providing public comment or testifying as part of a public hearing shall participate using one of the following methods:

- **In-Person Comment**: Parties interested in providing in-person verbal public comment shall fill out a "Request for Recognition" form available at the meeting. Forms must be filled out and submitted to the Assistant City Manager or designee prior to the meeting start time.
- **Video or Audio Conference Call**: Parties interested in providing virtual public comment shall contact City staff at citygovernment@staytonoregon.gov **at least three hours prior to the meeting start time** with their request. Staff will collect their contact information and provide them with information on how to access the meeting to provide comments.
- **Written Comment**: Written comment submitted to citygovernment@staytonoregon.gov **at least three hours prior to the meeting start time** will be provided to the public body in advance of the meeting and added to the City Council's webpage where agenda packets are posted.

---

1. **CALL TO ORDER**

2. **FLAG SALUTE**

3. **ANNOUNCEMENTS**
   a. Additions to the agenda
   b. Declaration of Ex Parte Contacts, Conflict of Interest, Bias, etc.

4. PUBLIC COMMENT

5. CONSENT AGENDA *(Begins on Page 5)*

a. June 15, 2026 City Council Regular Session Minutes
b. Resolution No. 26-018, Accepting the Abstract of Election Results from the May 19, 2026 Primary Election

6. PROCLAMATIONS *(Begins on Page 14)*

a. America 250 Proclamation
b. National Night Out Proclamation

7. PRESENTATIONS

8. PUBLIC HEARING

9. GENERAL BUSINESS

a. Parks and Pool Funding Options Following Levy Failure **DISCUSSION**
1. Staff Report – Julia Hajduk *(Begins on Page 16)*
2. Public Comment
3. Council Discussion

b. Second Reading Ordinance No. 26-004, Annexation and Zone Change of Property at 11641 Shaff Road *(Begins on Page 20)* **DECISION**
1. Staff Report – Jennifer Siciliano
2. Council Discussion
3. Council Decision

c. Ordinance No. 26-006, Amending Chapter 8.04 of the Stayton Municipal Code to Regulate Off-Road Vehicle Noise **DECISION**
1. Staff Report – Julia Hajduk and Gwen Johns *(Begins on Page 34)*
2. Public Comment
3. Council Discussion
4. Council Decision

d. Resolution No. 26-019, Amending the 2026-27 Fee Schedule **DECISION**
1. Staff Report – James Brand *(Begins on Page 60)*
2. Public Comment
3. Council Discussion
4. Council Decision

e. Ordinance No. 26-007, Amending Stayton Municipal Code Title 10.16 Related to Towing, Storage, and Impoundment of Vehicles **DECISION**
1. Staff Report –Gwen Johns *(Begins on Page 67)*
2. Public Comment
3. Council Discussion
4. Council Decision

f. Resolution No. 26-020, Authority to Undertake Projects and Designate a Loan Signer **DECISION**

(Begins on Page 83)

1. Staff Report – James Brand
2. Public Comment
3. Council Discussion
4. Council Decision

10. COMMUNICATION FROM CITY STAFF

11. COMMUNICATION FROM MAYOR AND COUNCIL

12. ADJOURN

The meeting location is accessible to people with disabilities. A request for an interpreter for the hearing impaired or other accommodations for persons with disabilities should be made at least 48 hours prior to the meeting. If you require special accommodation, contact City Hall at (503) 769-3425.

CALENDAR OF EVENTS

JULY 2026				
Friday	July 3	**CITY OFFICES CLOSED IN OBSERVANCE OF INDEPENDENCE DAY HOLIDAY**		
Monday	July 6	City Council	6:30 p.m.	https://youtube.com/live/8N1ZVbno8h8
Tuesday	July 2	Parks and Recreation Board	6:00 p.m.	City of Stayton – Conference Room
Thursday	July 16	Public Arts Commission	6:00 p.m.	City of Stayton – Conference Room
Monday	July 20	City Council	6:30 p.m.	https://youtube.com/live/sMeErPfScgE
Monday	July 27	Planning Commission	7:00 p.m.	Stayton Community Center
AUGUST 2026				
Monday	August 3	City Council	6:30 p.m.	https://youtube.com/live/PdUSPI13lcU
Tuesday	August 4	Parks and Recreation Board	6:00 p.m.	City of Stayton – Conference Room
Monday	August 10	Budget Committee	6:30 p.m.	Stayton Community Center
Monday	August 17	City Council	6:30 p.m.	https://youtube.com/live/gA7DHCnQPxM
Wednesday	August 19	Library Board	6:00 p.m.	Stayton Public Library
Thursday	August 20	Public Arts Commission	6:00 p.m.	City of Stayton – Conference Room
Monday	August 31	Planning Commission	7:00 p.m.	Stayton Community Center
SEPTEMBER 2026				
Tuesday	September 1	Parks and Recreation Board	6:00 p.m.	City of Stayton – Conference Room
Monday	September 7	**CITY OFFICES CLOSED IN OBSERVANCE OF LABOR DAY HOLIDAY**		
Tuesday	September 8	City Council	6:30 p.m.	https://youtube.com/live/qvN2UYyECc4
Wednesday	September 16	Library Board	6:00 p.m.	Stayton Public Library
Thursday	September 17	Public Arts Commission	6:00 p.m.	City of Stayton – Conference Room
Monday	September 21	City Council	6:30 p.m.	https://youtube.com/live/UwlOJQYUf24
Monday	September 28	Planning Commission	7:00 p.m.	Stayton Community Center
OCTOBER 2026				
Monday	October 5	City Council	6:30 p.m.	https://youtube.com/live/qH6An875SI8
Tuesday	October 6	Parks and Recreation Board	6:00 p.m.	City of Stayton – Conference Room
Monday	October 19	City Council	6:30 p.m.	https://youtube.com/live/Bqhvy73YSLc
Wednesday	October 21	Library Board	6:00 p.m.	Stayton Public Library
Thursday	October 22	Public Arts Commission	6:00 p.m.	City of Stayton – Conference Room
Monday	October 26	Planning Commission	7:00 p.m.	Stayton Community Center

City of Stayton
City Council Minutes
June 15, 2026

LOCATION: STAYTON COMMUNITY CENTER, 400 W. VIRGINIA, STAYTON	
Time Start: 6:30 P.M.	Time End: 7:57 P.M.

COUNCIL MEETING ATTENDANCE LOG

COUNCIL	STAYTON STAFF
Mayor Brian Quigley	Julia Hajduk, City Manager
Councilor Ken Carey	Alissa Angelo, Assistant City Manager
Councilor Leonard Hays	Gwen Johns, Police Chief (excused)
Councilor Jordan Ohrt	Janna Moser, Library Director
Councilor David Patty	James Brand, Finance Director
Councilor Stephen Sims	Jennifer Siciliano, Community & Economic Development Director
	Melanie Raba, Acting Public Works Director
	Michael Meeks, Police Lieutenant

AGENDA	ACTIONS
REGULAR MEETING	
Announcements	
a. Additions to the agenda	None.
b. Declaration of Ex Parte Contacts, Conflict of Interest, Bias, etc.	None.
Public Comment	
a. Penny DeTello	Ms. DeTello spoke regarding a persistent noise complaint near her property and requested a change to the City code.
b. Paul Hartmann	Mr. Hartmann spoke regarding a persistent noise complaint and requested a change to the City code.
c. Stephanie Hartmann	Ms. Hartmann spoke regarding a persistent noise complaint and requested a change to the City code.
d. Larry Larimer	Mr. Larimer spoke regarding a persistent noise complaint and requested a change to the City code.
e. Casey Falconer	Mr. Falconer shared a complaint regarding electric scooters in the Deer Lane neighborhood.
f. Dan Farrington	Mr. Farrington introduced himself as the republican nominee for House District 17. Staff responded to the noise complaints raised earlier in public comment; Council added this as a discussion item under General Business.
g. Mark Kronquist	Mr. Kronquist inquired about former Interim Public Works Director Barry Buchannan.

Consent Agenda a. May 27, 2026 City Council Work Session Minutes b. June 1, 2026 City Council Regular Session Minutes c. June 8, 2026 City Council Work Session Minutes d. Resolution No. 26-015, Collective Bargaining Agreement with AFSCME Local 3222	Motion from Councilor Sims, seconded by Councilor Patty, to approve the Consent Agenda, as presented. **Sims, Carey, Hays, Ohrt, Patty: Yes** **Motion passed 5:0.**
Presentations	None.
Public Hearing a. Commencement of Public Hearing	Mayor Quigley opened the hearing at 6:50 p.m. Councilors Carey, Sims, and Ohrt stated they had ex parte contact with the applicant. However, this would not impact their decision.
b. Staff Introduction	Ms. Siciliano provided a brief introduction.
c. Applicant Presentation	Ms. Vogel spoke about her application.
d. Staff Report	Ms. Siciliano reviewed the staff report.
e. Questions from Council	Council questions regarding the number of students, streets around the property, anticipated time to complete the application process, and the mentioned after school program.
f. Public Testimony	None.
g. Questions from the Council	Nothing further.
h. Applicant Summary	Nothing further.
i. Staff Summary	Nothing further.
j. Close of Hearing	Mayor Quigley closed the hearing at 7:03 p.m.
k. Council Deliberation	Council suggestion of ways to provide better transparency for application timing.
l. Council Decision on Ordinance No. 26-005	Motion from Councilor Patty, seconded by Councilor Ohrt, to approve Ordinance No. 26-005, approving the applications submitted by Charlen Vogel/Santiam Ballet Academy, LLC (Land Use File #7-04/26) for a Comprehensive Plan Mapp Amendment and Official Zoning Map Amendment for the property located at 579 E. Washington Street, as presented by staff. **Sims, Carey, Hays, Ohrt, Patty: Yes** **Motion passed 5:0.**

General Business **Second Reading Ordinance No. 26-004, Annexation and Zone Change at 11641 Shaff Road with Amended Medium Density (MD) Residential Zone**	
a. Staff Report	Ms. Siciliano reviewed the staff report.
b. Council Discussion	Brief question and discussion from Council regarding the proposed Ordinance and procedures.
c. Council Decision	Motion from Councilor Carey, seconded by Councilor Patty, to reconsider the City Council's May 18, 2026 motion approving Ordinance No. 26-004 regarding the application of Kevin and Paige Butler for annexation (Land Use File #10-8/25), with the amendment changing the zoning designation from High Density (HD) Residential to Medium Density (MD) Residential. **Sims, Carey, Hays, Ohrt, Patty: Yes** **Motion passed 5:0.** Reconsideration vote on the May 18, 2026 motion approving annexation with zoning designation changed from High Density (HD) Residential to Medium Density (MD) Residential. **Carey: Yes** **Sims, Hays, Ohrt, Patty: No** **Motion failed 1:4.** Motion from Councilor Patty, seconded by Councilor Sims, to approve Ordinance No. 26-004, approving the application of Kevin and Paige Butler for annexation (Land Use File #10-08/25), as presented by staff. **Sims, Carey, Hays, Patty: Yes** **Ohrt: No** **Motion passed 4:1.** The ordinance will be brought forward for a second reading at the July 6, 2026 City Council meeting.
Resolution No. 26-016, Imposing and Categorizing Ad Valorem Taxes for the 2026-27 Fiscal Year	
a. Staff Report	Mr. Brand reviewed the staff report.
b. Public Comment	None.
c. Council Discussion	Discussion regarding the recent levy failure.
d. Council Decision	Motion from Councilor Ohrt, seconded by Councilor Patty, to approve Resolution No. 26-016, as presented.

	Sims, Carey, Hays, Ohrt, Patty: Yes **Motion passed 5:0.**
Resolution No. 26-017, Electing to Receive State Revenue Sharing Funds	
a. Staff Report	Mr. Brand reviewed the staff report.
b. Public Comment	None.
c. Council Discussion	Council question regarding the state gas tax and local gas tax. Staff responded.
d. Council Decision	Motion from Councilor Ohrt, seconded by Councilor Carey, to approve Resolution No. .26-017, as presented. **Sims, Carey, Hays, Ohrt, Patty: Yes** **Motion passed 5:0.**
Noise Complaints	
a. Council Discussion	Council discussion of current code, history of citations for this issue and the court response, and language suggestions. The Council directed staff to work on an ordinance for presentation at the July 6, 2026 meeting, if possible.
Communications from City Staff	Ms. Hajduk spoke provided an update on the 4th of July parade float. Ms. Siciliano gave an update on the recent legislation regarding public hearings.
Communications from Mayor and Council	Council inquired about the electric scooter usage. Staff responded. Council questions and discussion regarding the frequency of the Public Arts Commission meetings, the proposed banner lines over First Avenue, and the upcoming Pool Pledge Party on June 19. Mayor Quigley read a statement announcing his intention to run for Mayor in the November 2026 general election.

APPROVED BY THE STAYTON CITY COUNCIL THIS 6TH DAY OF JULY 2026, BY A ___ VOTE OF THE STAYTON CITY COUNCIL.

Date:______________________________ By:____

Brian Quigley, Mayor

Date:______________________________ Attest:____

Julia Hajduk, City Manager

CITY OF STAYTON

M E M O R A N D U M

TO: Mayor Brian Quigley and the Stayton City Council

FROM: Alissa Angelo, Assistant City Manager

DATE: July 6, 2026

SUBJECT: Resolution No. 26-018, Accepting the Abstract of Election Results from the May 19, 2026 Primary Election

---

STAFF RECOMENDATION

By consent, approving Resolution No. 26-018, accepting the Abstract of Election Results from the May 19, 2026 Primary Election.

ENCLOSURE(S)

- Resolution No. 26-018

BACKGROUND INFORMATION

Oregon Statute requires the County Clerk to deliver certified election results to the jurisdiction’s elections officer following the election. The local government then must review and acknowledge acceptance of the Abstract of Election Results.

For your information, an Undervote occurs when the number of choices selected by a voter is less than the maximum number allowed for that contest or when no selection is made for a single choice contest. An Overvote occurs when one votes for more than the maximum number of selections allowed in a contest.

FACTS AND FINDINGS

An election was held on May 19, 2026 and citizens of Stayton cast votes for the following:

- Pool and Parks Local Option Tax Levy
- Stayton City Charter Updates

OPTIONS

Accept the Abstract of Election Results

MOTION(S)

Consent Agenda approval.

RESOLUTION NO. 26-018
ACCEPTING THE ABSTRACT OF ELECTION RESULTS FROM THE MAY 19, 2026 PRIMARY ELECTION

WHEREAS, at an election held in the State of Oregon, County of Marion, in the City of Stayton on May 19, 2026, the citizens of Stayton cast votes for the Pool and Parks Local Option Tax Levy and Stayton City Charter Updates;

WHEREAS, the Marion County Clerk has duly and regularly certified the results of the election held on May 19, 2026; and

WHEREAS, the City of Stayton received the certified election results from the Marion County Clerk, attached to this resolution as Exhibit A and by this reference incorporated herein.

NOW THEREFORE, THE CITY OF STAYTON RESOLVES:

SECTION 1. The Stayton City Council accepts the certified election results from the Marion County Clerk for the Parks and Pool Local Option Tax Levy and Stayton City Charter Updates as the final official results (Exhibit A).

This Resolution shall become effective upon its adoption by the Stayton City Council.

ADOPTED BY THE STAYTON CITY COUNCIL THIS 6TH DAY OF JULY 2026.

CITY OF STAYTON

Signed:_____________, 2026 BY: ______________________________
Brian Quigley, Mayor

Signed:_____________, 2026 ATTEST: ______________________________
Julia Hajduk, City Manager

City of Stayton Cumulative Results

Official

Run Time 4:59 PM
Run Date 06/11/2026

Marion County, Oregon

Gubernatorial Primary Election

5/19/2026

Official Results

Registered Voters
2583 of 228823 = 1.13%

Precincts Reporting
119 of 119 = 100.00%

24-518 - City of Stayton - NonPartisan

Precincts			Voters		
Counted	*Total*	*Percent*	*Ballots*	*Registered*	*Percent*
1	1	100.00%	2,583	5,984	43.17%

Choice	Party	Vote by Mail		Total	
YES		1,081	43.22%	1,081	43.22%
NO		1,420	56.78%	1,420	56.78%
	Cast Votes:	2,501	100.00%	2,501	100.00%
	Undervotes:	78		78	
	Overvotes:	4		4	

24-519 - City of Stayton - NonPartisan

Precincts			Voters		
Counted	*Total*	*Percent*	*Ballots*	*Registered*	*Percent*
1	1	100.00%	2,583	5,984	43.17%

Choice	Party	Vote by Mail		Total	
YES		1,230	52.50%	1,230	52.50%
NO		1,113	47.50%	1,113	47.50%
	Cast Votes:	2,343	100.00%	2,343	100.00%
	Undervotes:	238		238	
	Overvotes:	2		2	

*** End of report ***

I certify that the votes recorded on this abstract correctly summarize the tally of votes cast at the May 19, 2026 Primary Election.	
	June 11, 2026
Signature of County Clerk Bill Burgess	Date of Abstract

MARION COUNTY CLERK ★ STATE OF OREGON ★

City of Stayton Canvass Results

Official

Run Time 5:05 PM
Run Date 06/11/2026

Marion County, Oregon

Gubernatorial Primary Election

5/19/2026

Official Results

Registered Voters
2583 of 228823 = 1.13%

Precincts Reporting
119 of 119 = 100.00%

24-518 - City of Stayton - NonPartisan

Precinct	YES	NO	Cast Votes	Undervotes	Overvotes	Vote by Mail Ballots Cast	Total Ballots Cast	Registered Voters	Turnout Percentage
655	1,081	1,420	2,501	78	4	2,583	2,583	5,984	43.17%
Totals	**1,081**	**1,420**	**2,501**	**78**	**4**	**2,583**	**2,583**	**5,984**	**43.17%**

I certify that the votes recorded on this abstract correctly summarize the tally of votes cast at the May 19, 2026 Primary Election.	
	June 11, 2026
Signature of County Clerk Bill Burgess	Date of Abstract

City of Stayton Canvass Results

Official

Run Time 5:05 PM
Run Date 06/11/2026

Marion County, Oregon

Gubernatorial Primary Election

5/19/2026

Official Results

Registered Voters
2583 of 228823 = 1.13%

Precincts Reporting
119 of 119 = 100.00%

24-519 - City of Stayton - NonPartisan

Precinct	YES	NO	Cast Votes	Undervotes	Overvotes	Vote by Mail Ballots Cast	Total Ballots Cast	Registered Voters	Turnout Percentage
655	1,230	1,113	2,343	238	2	2,583	2,583	5,984	43.17%
Totals	**1,230**	**1,113**	**2,343**	**238**	**2**	**2,583**	**2,583**	**5,984**	**43.17%**

City of Stayton

P R O C L A M A T I O N

BEFORE THE CITY COUNCIL
OF CITY OF STAYTON, OREGON

HONORING THE 250TH ANNIVERSARY OF THE UNITED STATES OF AMERICA

WHEREAS, on July 4, 1776, the Declaration of Independence established the founding principles of liberty, equality, and self-governance, affirming the unalienable rights of life, liberty, and the pursuit of happiness; and

WHEREAS, the year 2026 marks the 250th anniversary of the founding of the United States of America, known as the Semi-quincentennial, providing an opportunity to reflect upon our nation's history, honor the sacrifices of those who have come before us, and celebrate the enduring ideals upon which our country was built; and

WHEREAS, throughout its history, the United States has grown and evolved through the contributions of people from all backgrounds and walks of life, whose efforts have strengthened our communities and advanced the promise of democracy; and

WHEREAS, the City of Stayton is enriched by its diverse and multicultural community, whose residents contribute unique traditions, experiences, and perspectives that strengthen the fabric of our city and reflect the continuing story of America; and

WHEREAS, civic engagement, volunteerism, and public service are essential to preserving democratic values and building strong communities, and residents of Stayton demonstrate these ideals through their commitment to one another and to the future of our city; and

WHEREAS, the City of Stayton recognizes this historic milestone as an opportunity to celebrate our nation's heritage, acknowledge the resilience and contributions of its residents, and inspire future generations to participate actively in civic life.

NOW, THEREFORE, I, Brian Quigley, Mayor of the City of Stayton, Oregon, on behalf of the Stayton City Council, do hereby proclaim the year 2026 as

"AMERICA'S 250TH COMMEMORATIVE YEAR"

and encourage all residents to join in observances, celebrations, service projects, and moments of reflection that honor our nation's history, celebrate our present, and inspire our future.

Dated at Stayton, Oregon, this 6th day of July 2026.

____

Brian Quigley, Mayor

City of Stayton

PROCLAMATION

BEFORE THE CITY COUNCIL
OF CITY OF STAYTON, OREGON

43RD ANNUAL NATIONAL NIGHT OUT

WHEREAS, the National Association of Town Watch (NATW) sponsors a national community-building campaign on Tuesday, August 4, 2026 entitled "National Night Out"; and

WHEREAS, the National Night Out campaign provides an opportunity for neighbors in Stayton Oregon to join over 38 million neighbors across 17 thousand communities from all 50 states, U.S. territories and military bases worldwide; and

WHEREAS, National Night Out is an annual community-building campaign that promotes strong police-community partnerships and neighborhood camaraderie to make our neighborhoods safer, more caring places to live and work; and

WHEREAS, neighbors in Stayton Oregon assist the Stayton Police Department through joint community-building efforts and support National Night Out 2026; and

WHEREAS, it is essential that all neighbors of Stayton Oregon come together with police and work together to build a safer, more caring community; and

NOW, THEREFORE, I, Brian Quigley, do hereby call upon all citizens of Stayton to join the Stayton Police Department and the National Association of Town Watch (NATW) in supporting the 43rd Annual National Night Out on Tuesday, August 4, 2026.

FURTHER, LET IT BE RESOLVED THAT, I, Mayor Brian Quigley, do hereby proclaim Tuesday, August 4th, 2026 in the City of Stayton as the

"43rd Annual National Night Out"

Dated at Stayton, Oregon, this 6th day of July 2026.

Brian Quigley, Mayor

CITY OF STAYTON

M E M O R A N D U M

TO: Mayor Quigley and the Stayton City Council

FROM: Julia Hajduk, City Manager

DATE: July 6, 2026

SUBJECT: Parks and Pool Funding Options Following Levy Failure

BACKGROUND INFORMATION

Council had a work session and town hall meeting on May 27, 2026 to discuss the issues and options resulting from the failure of the May 2026 levy and a work session on June 8, 2026 for further discussion. As a result of the levy failing, the City is facing an estimated combined funding shortfall of approximately $795,628 in the Parks and Pool funds for the FY 2026-27 fiscal year; $375,601 in the Pool fund and $420,027 in the Parks fund.

POOL FUND

- There has been a groundswell of support from the extended community to keep the pool open. As of June 29, 2026, the City has received $168,675 in donations and pledges.
- It is recommended that the Council amend the fee schedule for swim lesson rates to double them from the FY 25-26 rate of $50.00 for Stayton residents and $67.00 for non-residents to $100.00 and $134.00 which will provide an estimated additional $33,120[a] in revenue. We have received a $10,000 grant from Salem Health which will help provide funding support for swimming lessons for those that the increase is too much for.
- We are/will negotiate new contracts with swim teams. Based on preliminary discussions, it is believed this will contribute an additional $30,000 in annual revenue.
- We will immediately establish a sponsorship program and seek annual sponsors for elements such as "slide sponsor", "lane sponsors", "Fit and Active" sponsors", etc. We estimate this program will provide approximately $30,000.
- The City's revenue from insurance programs increased significantly after auditing and finding that reimbursement requests were not being completed consistently or accurately. While this was already assumed in our revenues to a certain extent, it is better than we estimated. In addition, we have already been working on negotiating contract updates with the insurance

[a] Based on offering the same number of lessons as prior years. Scholarships would be available to help off-set costs for families that cannot absorb the increase.

programs to provide more funding for users[b]. We estimate this will result in approximately $30,000 more revenue than originally budgeted.

Source of Additional Revenue	Amount
Donations/Pledges[c]	$168,675
Additional revenues from fee increases in swim lessons and swim teams	$64,000
Additional revenues from Ins Program	$30,000
Sponsorships (potential)	$30,000
Total	**$292,675**

Source of potential savings	
Larger Beginning Fund Balance than budgeted	$11,000
Salary savings (FY 25-26)	$27,000
Salary saving (FY 26-27)	$30,000
Materials and service savings	$6,000
Total	**$74,000**

With the above revenue increases, there is still an estimated shortfall of $8,926. It should be noted there is also the pool fund contingency of $34,262.

While we anticipate continued contributions and pledges to come in, as well as continued work on revenue maximizing, cost savings and grants, we believe it is important to have a "back up" in the event the full need is not realized. **Staff is seeking input on whether the Council would authorize an additional General Fund subsidy of up to $50,000 in the event pledges do not fully come in or revenue assumptions are not fully realized.** This would come from General Fund contingency, or other General Fund cost savings and require Council approval if needed.

If Council has no objection, we will immediately proceed with calling on the pledges made, offering swim lessons, formalizing the sponsorship opportunities and requests and finalizing grants already authorized.

PARKS FUND

Staff have re-looked at the numbers and options and identified the following that we believe will provide basic park support, keep most restrooms open and have the least impact. It is important to note this is only for the remainder of the biennium as many of the cost savings are one time and not sustainable over time. In addition, the scenario provided does nothing to address

[b] If we are unable to negotiate a sufficient amount, we will look at terminating the insurance programs, however this requires 120 days' notice in accordance with the contracts.

[c] As of June 29, 2026

deferred maintenance on aging infrastructure at the parks, therefore continued discussions for more sustainable funding solutions will be needed.

The proposal is to:

- **Increase the General Fund Subsidy by $64,000.** This will require Council approval via a budget amendment. This increase can be accomplished through strategic cuts in Police Administration and Planning, as well as unbudgeted revenues through cost savings because of the streetlight project.

- **Decrease the PW Admin transfer by $28,000**. This can be accomplished due to cost savings from the vacant City Engineer, PW Director, and reallocation of some assumed support services. It is important to note that cost savings are not "one-to one" because the PW Admin charges are shared among all enterprise and special revenue funds.

- **Decrease in parks expenditures by $328,027**. This will be accomplished via reduced watering, reduced mowing, and limited replacement of damaged equipment. With the allocation from the General Fund, we are able to retain the seasonal employee which we believe will be critical to the ability to maintain the parks with limited funds. Below is a detail of the planned cuts and their anticipated impact:

Planned Cut	Amount	Impact
Eliminate water charge	$ 20,000	Don't water/reduced revenue in water fund
Eliminate porta-potty at Riverfront Park	$ 1,500	Keep the one at Quail Run but remove the one at Riverfront Park (it is rarely used and has been vandalized quite a bit in the past)
Reduce personnel costs	$ 59,073	We had originally budgeted for a portion of a full-time employee to be shared with streets and water. This eliminates the full-time position; however, we believe we can retain funds for seasonal staff
Reduce Building maintenance	$ 5,000	
Remove park land rent/lease	$ 6,000	Not needed - assumed Wilderness Park reopened
Reduce maintenance budget	$ 70,000	This assumed Wilderness parked opened
Reduce maintenance budget	$ 30,000	Retains $40,000 for seasonal work
Reduced maintenance budget	$ 17,000	Less ability to respond to hazardous trees and place new bark chips; still retain some funds
Reduce training budget	$ 1,000	Reduced training
Reduce equipment budget	$ 45,500	Don't buy truck mounted leaf vacuum and stand on mower; don't replace last 2 posts at Santiam Park at this time
Reduce Park contingency	$ 25,454	leaves only 15,244 in contingency
Reduce improvements	$ 47,500	Don't do boulder retaining wall ($7500) and reduce replacement playground equipment ($40,000)
Total	**$328,027**	

We will work with the Parks Board and Community Engagement Coordinator to increase sponsorship opportunities for Disk Golf, as well as other amenities, and identify specific opportunities for volunteers to support larger clean-up and maintenance efforts to help offset the impacts of these cuts.

NEXT STEPS

- If Council is supportive of staff's proposal for addressing the funding shortfall, staff will prepare a resolution for a budget amendment.
- With the adoption of the fee schedule updates, also on the agenda for July 6th, we will immediately begin swimming lesson signups.
- We will also call in the pledges and begin seeking sponsorships.
- There will have to be ongoing conversations over the next year to discuss a more sustainable funding model for both the parks and the pool. It is recommended that each fund be discussed and decided separately as the issues, funding needs, and funding options vary greatly between both.
    - Staff will support Friends of the Pool in convening stakeholders to discuss a sustainable funding model that is fair to all patrons.
    - Staff will work to better articulate to Council and the community the assets and operational needs of the parks so that future level of service and funding decisions can be made.
    - It is recommended that decisions on a sustainable funding model be made by January 2027 so that staff can factor that into the budget process and, if necessary, ensure action is progressing to implement the decisions made.

CITY OF STAYTON

M E M O R A N D U M

TO: **Mayor Quigley and the Stayton City Council**

FROM: **Jennifer Siciliano, Director of Community and Economic Development**

DATE: **July 6, 2026**

SUBJECT: **Second Reading - Ordinance No. 26-004, Annexation and Zone Change of Property at 11641 Shaff Road**

ISSUE

The issue before the City Council is the second reading of Ordinance No. 26-004, the annexation of an approximately 17.01-acre property located at 11641 Shaff Road. The applicant proposes annexation into the city limits and application of the High Density (HD) Residential zoning district.

ENCLOSURE(S)

- Ordinance No. 26-004

STAFF RECOMMENDATION

Staff recommends that the City Council approve Ordinance No. 26-004, on second reading and enact the annexation as approved by first reading at the June 15, 2026, City Council meeting.

BACKGROUND INFORMATION

The City Council held a public hearing on May 18, 2026, on this application. At that hearing, the Council received a staff presentation, heard testimony from the applicant's representative, and received public testimony regarding the proposed annexation.

Following deliberation on May 18, 2026, the City Council voted 3-2 on first reading to approve the annexation with an amendment changing the proposed zoning designation from the requested High Density (HD) Residential zoning district to the Medium Density (MD) Residential zoning district. Because the Council's action differed from the applicant's request and the Planning Commission's recommendation, the second reading was continued to allow staff time to prepare revised findings and conclusions.

At its June 15, 2026, meeting, the City Council approved a motion to reconsider its previous action regarding annexation with MD zoning designation. The Council then voted again on the proposed Medium Density (MD) Residential zoning designation, and the motion failed. The Council subsequently voted 4-1 to approve the annexation with the originally requested High Density (HD) Residential zoning designation.

Because the ordinance did not receive a unanimous vote on first reading, the Stayton Charter requires a second reading before final adoption. The public hearing was closed on May 18, 2026, and no new evidence may be submitted unless the City Council reopens the record and schedules a continued public hearing with proper notice. The Council has completed its deliberations. The remaining action before the Council is the second reading and enactment of the ordinance adopting the annexation with the High Density (HD) Residential zoning designation.

Council may refer to the packet from the May 18, 2026 meeting packet for the complete application submissions on this project.

FISCAL IMPACT

Upon annexation, the property will be assessed as City property at the next assessment cycle and will begin contributing City property taxes. Because the property is currently vacant, the immediate increase in tax revenue will be minimal.

OPTIONS AND MOTIONS

Staff have provided the City Council with several options, each with an appropriate motion. The Community and Economic Development Department and Planning Commission recommend the first option.

1. **Approve the application, enact Ordinance 26-004 as presented.**

   I move to approve Ordinance 26-004, approving the application of Kevin and Paige Butler for annexation (Land Use File #10-08/25) as presented by Staff.

   The City Recorder shall call the roll and the names of each Councilor present, and their vote shall be recorded in the meeting minutes. Ordinance No. 26-004 is enacted and will be presented to the Mayor for his approval.

2. **Approve the application, enact Ordinance 26-004 with amendments.**

   I move to amend Ordinance 26-004 with the following modifications…

   Council will need to include modifications to the Ordinance, as well as relevant findings, as applicable. If amendment motion passes….

   I move to approve the application of Kevin and Paige Butler for annexation (Land Use File #10-08/25) as amended…

   The City Recorder shall call the roll and the names of each Councilor present, and their vote shall be recorded in the meeting minutes. Ordinance No. 26-004 is enacted with amendments and will be presented to the Mayor for his approval.

3. **Deny the application and adopt findings and conclusions to substantiate the decision.**

   I move that the City Council deny the application of Kevin and Paige Butler for annexation (Land Use File #10-08/25) and direct staff to prepare an order of denial with findings and conclusions to support denial based upon the application failing to satisfy the following criteria on account of the following evidence in the record…

4. **Continue deliberation to the next meeting.**

   I move that the City Council continue deliberations on the application of Kevin and Paige Butler for annexation (Land Use File #10-08/25) until July 20, 2026.

5. **Re-open the record and set a continued public hearing.**

   I move that the City Council re-open the record and set a continued public hearing as to the application of Kevin and Paige Butler for annexation (Land Use File #10-08/25) for [future date that allows for noticing of hearing].

ORDINANCE NO. 26-004

ANNEXING REAL PROPERTY LOCATED ON SHAFF ROAD AND CHANGING THE ZONE FROM MARION COUNTY URBAN TRANSITIONAL (UT-20) TO CITY OF STAYTON HIGH DENSITY RESIDENTIAL (HD).

WHEREAS, Kevin and Paige Butler have initiated annexation of certain real property located on Shaff Road, Marion County, Oregon, identified as Map Tax Lot 091W04C001901, more particularly described in Exhibit 1 attached hereto and incorporated herein, and further illustrated on a map shown in Exhibit 2 attached hereto and incorporated herein; and

WHEREAS, the owner of the property is Kevin and Paige Butler; and

WHEREAS, the annexation area consists of approximately 17 acres; and

WHEREAS, the property is currently located outside the City limits of Stayton and is zoned Marion County Urban Transition (UT-20); and

WHEREAS, the territory proposed for annexation lies within the City of Stayton Urban Growth Boundary and is designated Residential on the Stayton Comprehensive Plan Map, with a 100-foot wide Natural Resource Overlay District along the Salem Ditch; and

WHEREAS, upon annexation the property will be zoned High Density (HD) Residential, consistent with the Comprehensive Plan designation, the City's long-range residential land use policies and findings within the staff report and Planning Commission recommendation; and

WHEREAS, on February 23, 2026, and April 27, 2026, the Stayton Planning Commission held duly noticed public hearings on the annexation request (File No. 10-08/25); and

WHEREAS, the Planning Commission reviewed the application materials, agency comments, and public testimony, and thereafter adopted findings of fact and conclusions determining that the application satisfies the annexation approval criteria in Stayton Municipal Code Section 17.12.210.4; and

WHEREAS, the Planning Commission recommended that the City Council approve the annexation and amend the Stayton Official Zoning Map to apply High Density (HD) Residential zoning to the annexed property; and

WHEREAS, the City Council held a public hearing as required by law and reviewed the Planning Commission recommendation and findings of fact, which are attached as Exhibit 3 and incorporated herein; and

WHEREAS, the City Council concludes that the annexation application satisfies the approval criteria contained in SMC 17.12.210.4.

NOW THEREFORE, THE STAYTON CITY COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Pursuant to ORS 222.125, the Stayton City Council hereby proclaims the annexation to the City of Stayton, Oregon, of approximately 17 acres consisting of the property located on Shaff Road identified as Map Tax Lot 091W04C001901, the legal description of which is set forth in Exhibit 1, attached hereto and incorporated herein by reference.

SECTION 2. Pursuant to ORS 222.005, the Stayton City Recorder shall provide by certified mail to all public utilities, telecommunication facilities, and franchise holders operating within the City a written notice of the annexation including the site address, legal description, and map of the territory annexed, along with a copy of this Ordinance. Such notice shall be mailed within ten (10) working days following passage of this Ordinance.

SECTION 3. Pursuant to ORS 222.010, the Stayton City Recorder shall, within ten (10) days of passage of this Ordinance, file with the Marion County Clerk and Marion County Assessor a report of the annexation including the legal description and map of the territory annexed.

SECTION 4. Pursuant to ORS 308.225(2), the Stayton City Recorder shall provide to the Oregon Department of Revenue a copy of this Ordinance including the legal description and map of the annexed territory.

SECTION 5. The Stayton Official Zoning Map is hereby amended to include the annexed territory and designate the property as High Density (HD) Residential with a 100-foot wide Natural Resource Overlay District along the Salem Ditch.

SECTION 6. Upon adoption by the Stayton City Council and signature by the Mayor, this Ordinance shall become effective thirty (30) days after the date of signing.

ADOPTED BY THE STAYTON CITY COUNCIL THIS 6TH DAY OF JULY 2026.

Signed:_____________, 2026 BY: ______________________________

Brian Quigley, Mayor

Signed:_____________, 2026 ATTEST: ______________________________

Julia Hajduk, City Manager

EXHIBIT 1

2022-16

PARTITION PLAT NO. 2022-16

LOCATED IN THE SOUTHWEST 1/4 OF SECTION 4, TOWNSHIP 9 SOUTH, RANGE 1 WEST, WILLAMETTE MERIDIAN, MARION COUNTY, OREGON
DATE: OCTOBER 15, 2021
SHEET 2 OF 2

MARION COUNTY APPROVALS

ACCEPTANCE OF DEDICATION:

BY: Danielle Bethell 3/17/2022
CHAIRPERSON OR VICE-CHAIRPERSON MARION COUNTY BOARD OF COMMISSIONERS — DATE

BY: Brandon Reich 3-10-22
MARION COUNTY PLANNING COMMISSION DIRECTOR — DATE
PLANNING CASE NO.: PAR 20-015

APPROVED THIS 11th DAY OF March, 2022

BY: [signature]
MARION COUNTY SURVEYOR

APPROVED THIS 15 DAY OF March, 2022

BY: Tom Rohlfing by Kalynn
MARION COUNTY ASSESSOR

ALL TAXES, FEES, ASSESSMENTS, OR OTHER CHARGES AS PROVIDED BY O.R.S. 92.095 HAVE BEEN PAID THROUGH 30 June 2022
APPROVED THIS 15th DAY OF March, 2022

BY: [signature]
MARION COUNTY TAX COLLECTOR

STATE OF OREGON)
) SS
COUNTY OF MARION)

I DO HEREBY CERTIFY THAT THE ATTACHED PARTITION PLAT NO. 2022-16 WAS RECEIVED FOR RECORDING ON THE 17th DAY OF March, 2022 AT 4:34 O'CLOCK P.M., AND RECORDED IN THE BOOK OF PARTITION PLATS. ALSO REFERENCED IN THE MARION COUNTY DEED RECORDS IN REEL 4605, AT PAGE 251.

BILL BURGESS, MARION COUNTY CLERK

BY: Cristian Perez Garcia
DEPUTY COUNTY CLERK

NARRATIVE

THE PURPOSE OF THIS PLAT IS TO PARTITION THAT TRACT OF LAND DESCRIBED IN DEED REEL 3996 PAGE 250, MARION COUNTY DEED RECORDS. THE BASIS OF BEARINGS WAS ESTABLISHED ALONG THE WEST LINE OF PARTITION PLAT NUMBER 2021-67, RECORDED AS REEL 4539 PAGE 171, MARION COUNTY RECORDS.

THE SOUTH LINE, BEING A PORTION OF THE SOUTH LINE OF THE SOUTHWEST ONE-QUARTER OF SECTION 4, WAS ESTABLISHED BY HOLDING THE FOUND BRASS DISKS AT THE SOUTHWEST CORNER AND THE SOUTHEAST CORNER OF SAID SOUTHWEST ONE-QUARTER.

THE NORTH RIGHT-OF-WAY LINE OF THE SHAFF ROAD SE (MARKET ROAD NO. 86), WAS ESTABLISHED BY HOLDING A LINE PARALLEL WITH AND 25.00 FEET NORTHERLY OF THE SOUTH LINE OF THE SOUTHWEST ONE-QUARTER OF SECTION 4.

THE WEST LINE, BEING THE WESTERLY LINE OF SECTION 4, WAS ESTABLISHED BY HOLDING A FOUND 2-1/2 INCH BRASS DISK AT THE SOUTHWESTERLY CORNER OF SECTION 4 AND A 3-1/4 INCH ALUMINUM CAP AT THE WEST QUARTER CORNER OF SECTION 4.

THE NORTH LINE WAS ESTABLISHED BY HOLDING FOUND IRON RODS PER MCSR 7749 AND MCSR 26345.

THE EAST LINE WAS ESTABLISHED BY HOLDING RECORD BEARING AND DISTANCE PER PARTITION PLAT NO. 2021-67 AND FOUND IRON RODS PER MCSR 23684 AND MCSR 7749 WITH THE CENTER LINE OF THE SALEM FLOURING MILLS DITCH.

SURVEYOR'S CERTIFICATE

I, ABRAHAM KAHNAMOOIAN, DO HEREBY CERTIFY THAT I HAVE CORRECTLY SURVEYED AND MARKED WITH PROPER MONUMENTS, THE LANDS REPRESENTED ON THE ANNEXED MAP, SITUATED IN THE SOUTHWEST ONE-QUARTER OF SECTION 4, TOWNSHIP 9 SOUTH, RANGE 1 WEST, WILLAMETTE MERIDIAN, CITY OF STAYTON, MARION COUNTY, OREGON, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INITIAL POINT, BEING A FOUND 5/8-INCH IRON ROD LOCATED AT THE NORTHWEST CORNER OF MARION COUNTY PARTITION PLAT NUMBER 2021-67; THENCE ALONG THE WEST LINE OF SAID PARTITION PLAT, SOUTH 23°36'32" EAST 984.18 FEET TO THE CENTERLINE OF SHAFF ROAD SE, ALSO BEING THE SOUTH LINE OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 4; THENCE ALONG SAID SOUTH LINE, NORTH 88°42'41" WEST 2131.81 FEET TO A 2-1/2-INCH BRASS DISK AT THE SOUTHWEST CORNER OF SAID SOUTHWEST ONE-QUARTER; THENCE ALONG THE WEST LINE OF SAID SOUTHWEST ONE-QUARTER, NORTH 01°40'20" EAST 1646.22 FEET TO TO THE SOUTH LINE OF REEL 2594, PAGE 159, MARION COUNTY DEED RECORDS, FROM WHICH A 5/8-INCH IRON ROD BEARS SOUTH 88°24'59" EAST 0.20 FEET; THENCE ALONG SAID SOUTH LINE, SOUTH 88°24'59" EAST 1330.48 FEET TO AN IRON BOLT AT THE NORTHEAST CORNER OF REEL 3996, PAGE 250, MARION COUNTY DEED RECORDS; THENCE ALONG THE EAST LINE OF SAID DEED, SOUTH 01°52'50" WEST 742.47 FEET TO A POINT ON THE CENTER LINE OF SALEM WATER DITCH, ALSO BEING THE SOUTHWEST CORNER OF REEL 1220, PAGE 584, MARION COUNTY DEED RECORDS; THENCE ALONG THE SOUTH LINE OF SAID DEED, SOUTH 88°05'06" EAT 383.69 FEET TO THE INITIAL POINT.

THE ABOVE DESCRIBED TRACT OF LAND CONTAINS 62.29 ACRES, MORE OR LESS.

DECLARATION

KNOW ALL PERSONS BY THESE PRESENTS THAT KEVIN BUTLER, IS THE OWNER OF THE LAND SHOWN ON THE ANNEXED MAP AND AS DESCRIBED IN THE ACCOMPANYING SURVEYOR'S CERTIFICATE, AND HAS CAUSED THE SAME TO BE SURVEYED AND PARTITIONED IN ACCORDANCE WITH THE PROVISIONS OF THE OREGON REVISED STATUTES CHAPTER 92. KEVIN BUTLER DOES HEREBY DEDICATE TO THE PUBLIC, A RIGHT-OF-WAY AS SHOWN HEREON.

Kevin Butler
KEVIN BUTLER

ACKNOWLEDGMENT

STATE OF OREGON)
) SS
COUNTY OF MARION)

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON THIS 25th DAY OF February, 2022 BY KEVIN BUTLER

[signature]
NOTARY SIGNATURE

Rhonda Michelle Mackey
NOTARY PUBLIC - OREGON

COMMISSION NO. 982993A

MY COMMISSION EXPIRES January 9, 2023

CONSENT AFFIDAVIT

A PARTITION PLAT CONSENT AFFIDAVIT BY IRENE JOYCE DOZLER, TRUSTEE OF THE PAUL AND IRENE JOYCE DOZLER REVOCABLE LIVING TRUST DATED FEBRUARY 9, 1995, FOR THAT INSTRUMENT RECORDED IN REEL 3996, PAGE 251, MARION COUNTY DEED RECORDS HAS BEEN RECORDED IN REEL 4605, PAGE 250, MARION COUNTY RECORDS.

REGISTERED PROFESSIONAL LAND SURVEYOR
[signature]
OREGON
MARCH 9, 2021
ABRAHAM KAHNAMOOIAN
95376PLS
RENEWS: 6/30/23

PLAT NOTES

1. THIS PLAT IS SUBJECT TO THE CONDITIONS OF APPROVAL SET FORTH IN MARION COUNTY PARTITION CASE FILE NO. 20-015.
2. THIS PLAT IS SUBJECT TO RIGHT OF THE PUBLIC AND OF GOVERNMENTAL BODIES IN AND TO THAT PORTION OF THE PREMISES HEREIN DESCRIBED LYING BELOW THE HIGH WATER MARK OF SALEM WATER DITCH.
3. THIS PLAT IS SUBJECT TO AN ELECTRIC TRANSMISSION, AND DISTRIBUTION LINE EASEMENT TO PACIFIC POWER AND LIGHT COMPANY RECORDED IN VOLUME 649, PAGE 163, MARION COUNTY DEED RECORDS. NO ABOVE GROUND EVIDENCE WAS FOUND OF WHERE THE EASEMENT MIGHT BE LOCATED.

PREPARED FOR

KEVIN BUTLER
11641 SHAFF ROAD
STAYTON, OREGON 97383

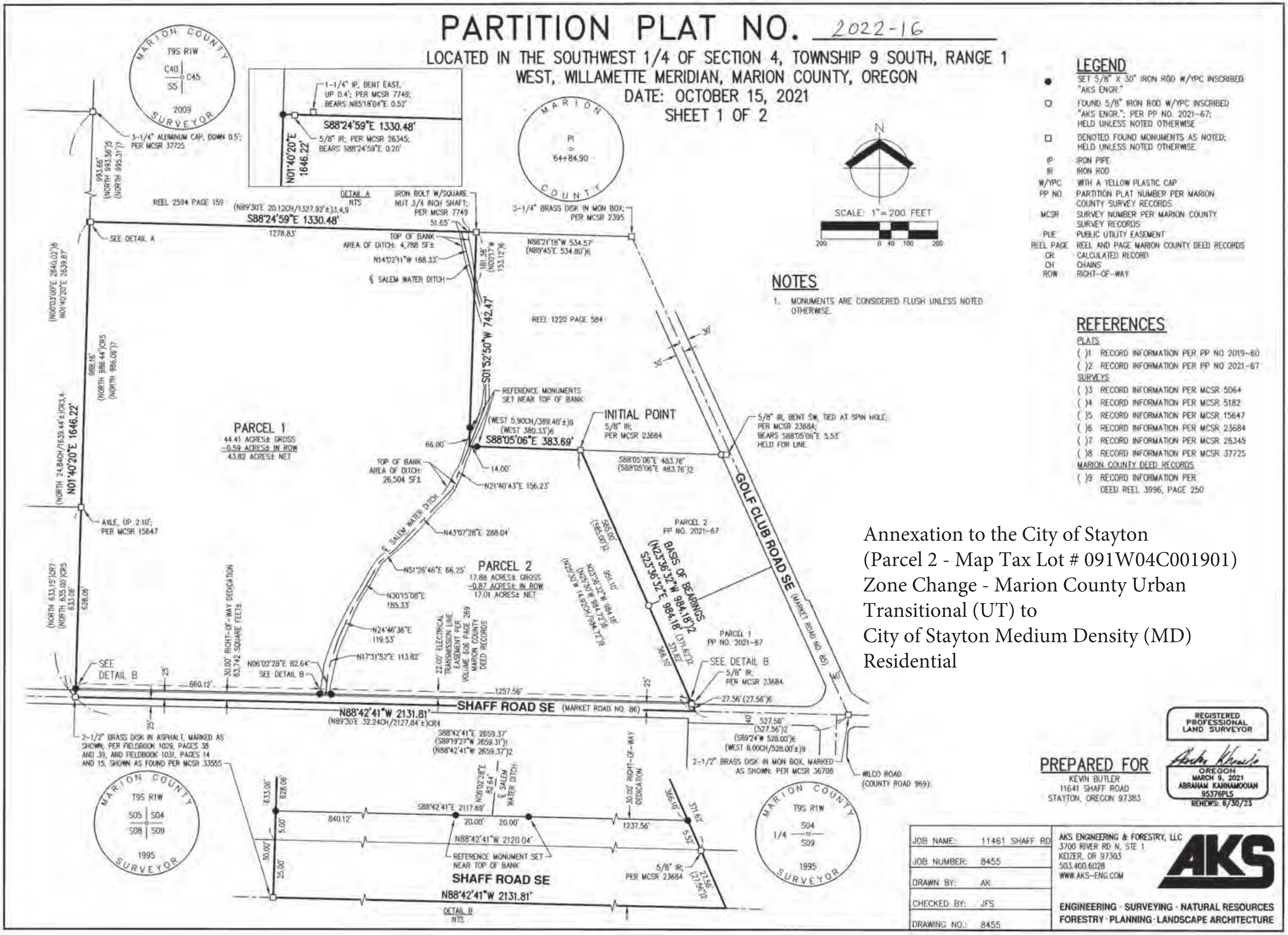
JOB NAME:	11461 SHAFF RD
JOB NUMBER:	8455
DRAWN BY:	AK
CHECKED BY:	JFS
DRAWING NO.:	8455

AKS ENGINEERING & FORESTRY, LLC
3700 RIVER RD N, STE 1
KEIZER, OR 97303
503.400.6028
WWW.AKS-ENG.COM

ENGINEERING · SURVEYING · NATURAL RESOURCES
FORESTRY · PLANNING · LANDSCAPE ARCHITECTURE

EXHIBIT 2

2022-16



Annexation to the City of Stayton
(Parcel 2 - Map Tax Lot # 091W04C001901)
Zone Change - Marion County Urban
Transitional (UT) to
City of Stayton Medium Density (MD)
Residential

EXHIBIT 3, City Council Finding of Fact

Land Use File #10-08/25

A. EXISTING CONDITIONS

1. The owner and applicant of the property is Kevin and Paige Butler.
2. The parcel can be described as: taxlot 091W04C001901parcel proposed for annexation can be described as tax lot 091W04C001901.
3. The property is currently outside of the City Limits and zoned Marion County Urban Transition (UT-20).
4. The property is approximately 17 acres with frontage on Shaff Rd, frontage along the Salem Ditch, and is currently vacant.
5. The property is designated Residential by the Comprehensive Plan Map with a 100-foot wide Natural Resource Overlay District along the Salem Ditch.
6. The property to the north has not been annexed into the City, remains under Marion County jurisdiction, is zoned Urban Transition (UT-20), and is an 11-acre parcel used for a single-family residence and agriculture. The properties to the east were annexed into the City in 2020, are zoned HD and Commercial General and are developed with a multifamily development and vacant, respectively. One of the properties to the south, across Shaff Rd is zoned Light Industrial, is vacant except for a storage shed, and is used for agriculture. The other property across Shaff Rd is has not been annexed into the City, remains under Marion County jurisdiction, is zoned Urban Transition (UT-20), and is a 1.7-acre parcel used for a single-family residence. The property to the west is outside of the Urban Growth Boundary and is a 44-acre parcel zoned Exclusive Farm Use by Marion County.

B. PROPOSAL

The proposal is to annex a 17-acre parcel of land fronting Shaff Rd (tax lot 091W04C001901) into the city. The applicant has proposed that High Density (HD) Residential zoning be applied at the time of annexation.

C. AGENCY COMMENTS

The following agencies were notified of the proposal: City of Stayton Public Works, Stayton Cooperative Telephone Company, Pacific Power, NW Natural Gas, Stayton Fire District, Marion County Public Works, Wave Broadband, Marion County Planning Division, Santiam Water Control District, Santiam Hospital, Stayton Police Department, City of Salem Development Services, and the North Santiam School District. Additionally, a Post Acknowledgement Plan Amendment (PAPA) was submitted to Oregon Department of Land Conservation and Development (DLCD) for notice file no. 002-26.

Stayton Public Works provided a memorandum dated December 10, 2025, authored by the City's consultant engineer. In addition, the City's transportation engineering consultant submitted comments during the preapplication phase and had no further review comments during the application process. Santiam Water Control District submitted comments expressing concern over stormwater impacts on the Salem Ditch. These comments are incorporated into the findings below.

City of Salem replied they were not impacted by the application. Stayton Fire District stated that they had no comment. Marion County Public Works stated that they did not have any comment at this time, but they will at time of development. No other review comments were received.

The Santiam Water Control District (SWCD) also submitted comments not directly related to stormwater impacts or to the approval criteria. The SWCD raised the issue of Statewide Planning Goal 6 and the obligation of the City to assure that future development complies with state and federal environmental statutes and rules. The statewide planning goals are applicable to the development of the City's comprehensive plan and land use regulations, not the individual application of the land use regulations to a specific land use or limited land use project. The Comprehensive Plan and Title 17 have been acknowledged and found consistent with the statewide planning goals.

The SWCD requested that the City's approval of this application include conditions that protect the SWCD's compliance with the Total Maximum Daily Load requirements. This application is solely for the annexation of property into the city limits and not for development approval. Bringing the property into the city limits will not impact the TMDL responsibilities of the SWCD or the City.

The SWCD raised the issue that the application did not accurately identify the property to be annexed, due to the SWCD's maintenance easement and use rights encumbering the property. The applicant provided a copy of the recorded partition plat that established the parcel to be annexed. The annexation of the property into the city limits will not have any impact on the SWCD's easement rights. The existence of easements does not need to be part of the legal description of the territory to be annexed.

The SWCD noted the responsibility of the City to coordinate its planning responsibilities with other units of government, including the SWCD. The City has complied with this requirement by including the SWCD in the drafting of the Comprehensive Plan in 2011 through 2013, the drafting of the Stormwater Master Plan, the drafting of the Public Works Design Standards, and by notifying the SWCD of this application and requesting their input.

The SWCD raised a concern over the potential loss of their water rights due to conversion of the property from agricultural use to urban development. This issue is not related to an approval criterion and is beyond the control of the City.

The SWCD, finally, raised the issue their contract with the applicant to deliver irrigation water. The SWCD requested the applicant sign a Termination of Contract as part of the annexation process. This issue is not related to an approval criterion and is beyond the control of the City.

The City received a letter from the Oregon Department of Land Conservation and Development dated February 23, 2026, stating that, pursuant to Oregon House Bill 2001 and Oregon House Bill 2889, the City should utilize the Oregon Housing Needs Analysis allocations established for each local government. The letter indicates that, pursuant to the January 1, 2026 publication, the City of Stayton's 20-year housing need within the Urban Growth Boundary is 1,058 dwelling units, distributed across income categories as follows: 271 units at 0–30% Area Median Income (AMI); 204 units at 31–60% AMI; 113 units at 61–80% AMI; 171 units at 81–120% AMI; and

300 units above 120% AMI. Additionally, a virtual meeting with DLCD was held on March 26, 2026, to further discuss and clarify their comments.

D. PUBLIC COMMENTS

The Community and Economic Development Department notified all owners of property within 300 feet of the subject property and did not receive written public comment prior to the public hearing. At the April 27, 2026, Planning Commission public hearing, Mrs. Chamberland of 1624 E Burnett Street expressed concern regarding state land use requirements and the impacts of growth on City infrastructure and schools. Mr. Aaron Frichtl of 12326 Golf Lane expressed concern regarding the impacts of annexation on City infrastructure, maintenance obligations, and public services. No additional comments were received regarding this application.

E. ANALYSIS

The annexation applications satisfies approval criteria contained within Stayton Municipal Code (SMC) Title 17, Section 17.12.210.

F. REVIEW CRITERIA

Pursuant to SMC 17.12.210.4 the following criteria must be demonstrated as being satisfied by the application:

a. Need exists in the community for the land proposed to be annexed.

Finding: The 2013 Stayton Comprehensive Plan update included a Buildable Lands Inventory (BLI). The 2013 BLI provides the following information on projected growth and need for additional land in the community. At that time, there were 106 acres of vacant buildable land inside the City limits in the Low, Medium, and High Density Residential Zones. The projected population for the City in 2030 (at a medium growth rate of 1.7%) was 11,359 people, requiring an additional 1,281 dwellings. To meet that need, the City Comprehensive Plan indicates the expected need of additional 320 acres of residential to be annexed into the City. Since the time that analysis was conducted, the City has annexed 60 acres of residential land.

The need for 1,281 additional units was broken up into 889 single-family detached dwellings, 193 duplexes, 174 multi-family units, and 25 mobile homes. It is projected that the percentage of homes are needed at the following: single-family detached dwellings 65%, duplexes (or attached single-family homes) 13%, multi-family units 18%, and mobile homes 4%.

Since the BLI has been calculated, the following is a table of developments, year, type of housing unit, and number.

Project Name	Year	Type	Number
Phillips Estates, Phase 2	2014	single-family home	21
Phillips Estates, Phase 3	2025/26	single-family home	22 (concept plan)

Wildlife Meadows	2017	single-family home	42 (2 duplexes)
Hayden (Lambert Place)	2020	single-family home	51
Fern Ridge	2022	multi-family	72
Shaff Square	2023	multi-family	100

Based on these totals, Stayton's housing needs are as follows: 753 single-family homes, 191 duplex or attached single-family units, 2 multifamily units, and 25 mobile homes.

These projections are based on a higher anticipated growth rate than what has actually occurred, meaning the calculated housing needs may be somewhat overstated. From 2000 to 2024, Stayton's population increased from 6,816 to 8,176—a change of 1,360 people—reflecting an average annual growth rate of approximately 0.76%. The Marion County Coordinated Growth projection of 1.6% average annual growth rate was used in the projected needs.

The City's Comprehensive Plan Housing Goal (Chapter 6) states: "Existing and future residents will be provided a choice of housing types in safe and healthful housing." While the City currently provides a range of housing types, application of the High Density (HD) Residential zone to the subject property would further expand those opportunities. The HD zone permits single-family attached dwellings, duplexes, and multi-family dwellings (four + units per building), with a minimum density of 13 dwelling units per acre.

The applicant has not submitted a conceptual plan. On a gross basis consistent with HD standards, the approximately 17-acre site could accommodate a minimum of 221 dwelling units, consistent with the minimum density of 13 units per acre. Although the applicant did not submit a conceptual plan, the application did include an engineering analysis based on development at 24 units per acre, or a total of 408 multifamily units.

In 2023, the State adopted a new methodology for determining housing needs through the Oregon Housing Needs Analysis (OHNA). Under ORS 197A.018, "needed housing" is defined as housing by affordability level, type, characteristics, and location necessary to accommodate a city's allocated housing need over the applicable 20-year planning period. The OHNA represents a shift from a locally derived housing needs analysis to a statewide, regionally informed methodology that accounts for both future growth and existing unmet need resulting from underproduction of housing.

As described in the Department of Administrative Services (DAS) January 1, 2026, methodology, housing need now includes both projected future demand and existing unmet need, including suppressed household formation due to housing costs and limited supply. The methodology allocates a share of regional housing need to each local government. Stayton is located within the Willamette Valley region, and, consistent with state policy, urban housing needs are to be accommodated within Urban Growth Boundaries.

The DAS 2026 analysis identifies a 20-year housing need within Stayton's Urban Growth Boundary of 1,058 dwelling units, distributed across income levels as follows: 271 units at 0–30% Area Median Income (AMI); 204 units at 31–60% AMI; 113 units at 61–80% AMI; 171 units at 81–120% AMI; and 300 units above 120% AMI.

<u>Analysis:</u> Under the State's revised methodology, housing needs include both existing unmet needs resulting from underproduction and projected future demand, which is allocated at the regional level and accommodated within Urban Growth Boundaries by local jurisdictions.

This annexation would increase the City's supply of buildable residential land and capacity, supporting its ability to provide a range of housing types and accommodate identified housing needs consistent with the City's Comprehensive Plan Housing Goal, Statewide Planning Goal 10, ORS 197.296, and the OHNA framework.

b. The site is or is capable of being serviced by adequate City public services, including such services as may be provided subject to the terms of a contract annexation agreement between the applicant and the City.

<u>Finding:</u> The property is not currently connected to City utilities. Three of the City's adopted master plans (Transportation, Water, and Wastewater) provide clear pathways for extending services. The adopted Stormwater master plan indicates that a stormwater detention facility is proposed for construction on this property. At the time of development, the applicant will be required to construct or extend infrastructure to meet all applicable standards, ensuring the property can be fully and adequately served.

Streets

Shaff Road, which forms the southern boundary of the property, is designated as a Major Collector and will need to be improved to Collector standards, including curbs, sidewalks, street trees, street lighting, and adequate pavement width. In addition, the preliminary design of the future roundabout at the intersection of Shaff Road and Golf Club Road identifies a potential 44-foot wide easement area outside the public right-of-way for Pacific Power transmission lines, for a large storm drainage conveyance swale, and an additional easement for a large stormwater facility located at the southeasterly corner of the parcel. Emergency vehicle access will need to comply with the Stayton Municipal Code, Public Works Design Standards, and Fire District requirements at the time of development.

Stormwater Drainage

The property is located within the North Salem Ditch Basin for purposes of the City's stormwater design and analysis. The applicant's engineering memo states that both public and private storm systems are planned to discharge into the Salem Ditch with a 30-inch outfall. The City's engineering consultant has stated that the nearest existing storm drain manhole is approximately 400 feet east of the property and on the south side of Shaff Rd. The preliminary design of the future roundabout at the Shaff Rd/Golf Club Rd intersection identifies the need for a large storm drainage conveyance swale along the north side of Shaff Rd. The City's engineer consultant noted that Salem Ditch is not considered to have any available capacity for increased runoff or flows. The engineer consultant also pointed out that there is a wetland along the Salem Ditch as well as significant hydric soils running north to south through the middle of the property.

The Santiam Water Control District (SWCD) is the owner and operator of the Salem Ditch. In a December 10, 2025 communication the SWCD raised a number of concerns with the application. SWCD has stated that a property owner may not discharge stormwater into the Salem Ditch without SWCD approval. SWCD has stated that the Salem Ditch is at capacity and further development, without controls, will cause facility damage, flooding, and water quality degradation. The City and the SWCD entered into a Memorandum of Understanding in 2014 regarding stormwater discharges into SWCD facilities, including the Salem Ditch. Following execution of the MOU, the City amended the stormwater control sections of the City's Public Works Design Standards (Division 6) to restrict stormwater discharges from development to no more than predevelopment discharge rates, and for some design storms at less than the predevelopment discharge rate, to require downstream capacity analysis, and to prohibit new discharge points into a SWCD facility without a written approval from the SWCD.

SWCD also asserts that it holds use rights to the property and that the city must recognize and must incorporate these use rights and the corresponding appropriate setbacks into development plans. The Comprehensive Plan map provides for a 100-foot wide Natural Resources Overlay District (NROD) along the Salem Ditch, which, when implemented, would prohibit any new buildings within the NROD.

No development is proposed with this application. At development, a complete stormwater management system—including flow control, water-quality treatment, conveyance, and an acceptable point of discharge—will be required in accordance with the Municipal Code, the Stormwater Master Plan and Public Works Design Standards.

Water

The property is not currently served by the City's water system. The applicant's engineering memo states that the property can be served by water and points out improvements and extensions of the system called for in the 2006 Water Distribution Facilities Planning Study. The City's engineering consultant has stated that the nearest City water facility is a 10-inch main located in Wilco Road, approximately 400 feet east of the property. The Water Master Plan includes a future 10-inch water main along Shaff Rd and a 12-inch distribution main along Salem Ditch along the western portion of the property. At the time of development, the property will be required to extend the water system and meet all emergency water supply and fire flow requirements.

Sanitary Sewer

The property is not currently served by the City's sewer system. The applicant's engineering memo states that serving the property is feasible by connection to a sewer stub at the intersection of Golf Club Rd and Shaff Rd. The City's engineering consultant has stated that connection will require engineering analysis demonstrating adequate capacity for additional flows. The Wastewater Facilities Planning Study does not identify significant system deficiencies in the vicinity that would affect the ability to serve the site.

c. *The proposed annexation is property contiguous to existing City jurisdictional limits.*

Finding: The property is adjacent to the City limits to the south and east.

d. *The proposed annexation is compatible with the character of the surrounding area and complies with the urban growth program and the policies of the City of Stayton.*

Finding: One of the properties to the east is zoned Commercial General (CG) and is not yet developed. The other property to the east was recently developed as a 100-unit multifamily development with a 20-unit density per acre. The properties to the south are vacant land zoned industrial and 2-acre single family dwelling site. To the west, property is outside of the Stayton Urban Growth Boundary and is agricultural land. To the north, is land not yet annexed into the city and is a large lot residential property also used for agriculture.

The property lies within the Stayton Urban Growth Boundary and is designated Residential in the Comprehensive Plan. Applying any residential zone upon annexation matches that designation and maintains consistency with the planned future character of the area. With the recent new construction of multi-family and duplex developments in the City, development of the property as HD would extend the high density residential area and provide a transition to the commercial area – Commercial General (CG) – directly adjacent to this parcel.

e. *The annexation request complies or can be made to comply with all applicable provisions of state and local law.*

Finding: The criteria of ORS 222 apply to the adoption of an annexation ordinance which is a City Council action. The property owners have consented to the annexation. The property is contiguous to the existing city limits and is located entirely within the City of Stayton's Urban Growth Boundary. The acknowledged Stayton Comprehensive Plan designates this area as Residential.

f. *If a proposed contract annexation, the terms and conditions, including the cost of City facility and service extensions to the annexed area shall be calculated by the Public Works Director.*

Finding: The proposed annexation is not a contract annexation

CITY OF STAYTON

M E M O R A N D U M

TO: Mayor Quigley and the Stayton City Council

FROM: Julia Hajduk, City Manager/Gwen Johns Police Chief

DATE: July 6, 2026

SUBJECT: Ordinance No. 26-006, Amending Chapter 8.04 of the Stayton Municipal Code to Regulate Off-Road Vehicle Noise

---

ISSUE

Shall the Council adopt an ordinance regulating the noise caused by the use of off-road vehicles?

ENCLOSURE(S)

- Track changes version of proposed Stayton Municipal Code (SMC) Title 8.04 changes
- Ordinance No. 26-006 with Exhibit A – Proposed changes

STAFF RECOMMENDATION

Staff respectfully recommends Council Adopt Ordinance No. 26-006, amending Chapter 8.04 of the Stayton Municipal Code to regulate off-road vehicles.

BACKGROUND INFORMATION

City staff and Council members have received several complaints from residents off of Ida Street about noise caused by the use of a motorbike on private property for extended periods of time and multiple days a week.

The noise ordinance generally exempts loud noises between the hours of 7:00 a.m. and 10:00 p.m., as that is the standard time that lawnmowers, leaf blowers, etc. are utilized. The Code does regulate amplified noise from sound production or reproduction devices during daytime hours, but no section regulates other loud noise sources or repeated disturbing noises over multiple hours

At the June 15, 2026 Council meeting, following public comments and discussion with staff, Council provided direction to initiate a code amendment to address the complaints that have been received.

Discussion focused on amending the noise ordinance. Staff recommends amending section 8.04 in the nuisance code to specifically regulate objectionable noise from off-road vehicles. The proposed language is substantially similar to the standards recently enacted by Marion County.

The proposed language provides a mechanism to use off-road vehicles on private property, with property owner approval, provided the use is at least 100 feet from a neighboring property and is not operated between the hours of 10:00 p.m. and 7:00 a.m. The restriction exempts authorized governmental and property maintenance uses.

Staff believes this code will provide a clear and enforceable mechanism to address issues caused by the operation of off-road vehicles in the city.

FISCAL IMPACT
There is no fiscal impact related to the adoption of this policy.

OPTIONS
Council could choose to take no action or amend the proposed ordinance

MOTION(S)
"Move to adopt Ordinance No. 26-006, amending Chapter 8.04 of the Stayton Municipal Code to regulate noise caused by the use of off-road vehicles."

CHAPTER 8.04

NUISANCES

SECTIONS

8.04.010	Definitions
8.04.020	Public Health Nuisances
8.04.030	Attractive Nuisances
8.04.040	Snow and Ice
8.04.050	Scattering Rubbish
8.04.055	Odor
8.04.060	Trees and Vegetation Obstructing View
8.04.070	Barbed Wire or Electric Fences
8.04.080	Inadequate Drainage
8.04.090	Obstruction of Sidewalks and Alleys
8.04.100	Obstructing Waterways or Public Thoroughfares
8.04.110	Utility Wires Strung Too Low
8.04.120	Damaged, Derelict, and Dangerous Structures
8.04.130	Noxious Vegetation
8.04.140	Noise and Vibrations
8.04.150	Posted Notices
8.04.160	Advertising: Public Property, Prohibition
8.04.170	Advertising: Private Property, Prohibition
8.04.180	Advertising: Public Property, Exceptions
8.04.190	Advertising: Removal
8.04.200	Junk Accumulation
8.04.210	Discarded Vehicles
8.04.220	Unenumerated Nuisances
8.04.230	Abatement: Notice
8.04.235	Abatement of Dangerous Structures
8.04.240	Abatement: Protest Hearing
8.04.250	Abatement: Joint Responsibility
8.04.260	Abatement by City: Procedure
8.04.270	Abatement by City: Assessment of Costs
8.04.280	Summary Abatement
8.04.290	Abatement as Additional Remedy
8.04.300	RESERVED
8.04.310	Registration of Foreclosed Residential Property
8.04.320	RESERVED
8.04.330	RESERVED
8.04.340	RESERVED
8.04.350	RESERVED
8.04.360	RESERVED
8.04.370	Occupancy of Residential Property after Notice of Violation
8.04.380	Interference with Repair, Demolition, or Abatement Prohibited
8.04.390	Violation: Penalty

8.04.010 DEFINITIONS

For the purposes of this title, the following words and phrases mean:

ADVERTISING: Any method, procedure, or substance used to announce, present, or display any fact, opinion, or other information by means of pictures, words, or designs, or otherwise, whether written, printed, painted, or in any other way expressed.

AIR POLLUTION: Repealed.

BUILDING OFFICIAL: The individual(s) designated by the City Administrator to administer and enforce the building codes, and inspect buildings.

CESSPOOL: Septic tanks or other subsurface sewage disposal facilities that are in an unsanitary condition or which cause an offensive odor.

CITY ADMINISTRATOR: That official of the City hired by the Mayor/Council under Chapter 2.08 of this Code or the Administrator's designee.

DEBRIS: Accumulations of rubbish, manure, and other refuse that have the potential to affect the health of residents of the City or the cleanliness or visual attractiveness of the area.

DECAYED FOOD: Spoiled or unwholesome food not fit for human consumption.

DISCARDED VEHICLE: Any vehicle which is in one or more of the following conditions:

a. Inoperative

b. Wrecked

c. Dismantled

d. Partially dismantled

e. Abandoned

f. Junked

g. Not displaying a current registration plate from a state Department or Division of Motor Vehicles

"Discarded vehicle" also includes major parts of vehicles, including but not limited to bodies, engines, body parts, transmissions, or rear ends.

ELECTRIC ASSISTED BICYCLE: A vehicle that:

a. Is designed to be operated on the ground on wheels;

b. Has a seat or saddle for use of the rider;

c. Is designed to travel with not more than three wheels in contact with the ground;

d. Has both fully operative pedals for human propulsion and an electric motor; and

e. Is equipped with an electric motor that:

i. Has a power output of not more than 1,000 watts; and

ii. Is incapable of propelling the vehicle at a speed of greater than 20 miles per hour on level ground.

ENFORCEMENT OFFICER: The individual designated by the City Administrator to enforce the provisions of this Chapter.

JUNK: Motor vehicle parts, machinery, machinery parts, appliances or parts thereof, iron or other metal, glass, paper, lumber, wood, or other waste or discarded material.

LOUD, DISTURBING NOISES: A sound that creates a plainly audible noise within any dwelling unit which does not contain the source of the sound.

NOXIOUS VEGETATION:

a. Weeds more than 10 inches high;

b. Grass more than 10 inches high and not within the exception stated in subsection 1 of this Chapter;

c. Poison oak;

d. Poison ivy;

e. Blackberry bushes that extend into a public thoroughfare or across a property line;

f. Vegetation that is:

   i. A safety hazard because of the possibility of falling branches;

   ii. A fire hazard because it is near other combustibles;

   iii. A traffic hazard because it impairs the view of a public thoroughfare, otherwise makes use of the thoroughfare hazardous, or does not meet the sight distance triangle requirements contained in SMC Section 17.26.020.4.c) and d); or

g. Dandelions, hawkweed, Queen Ann's lace, tansy ragwort, or other weeds that have gone to seed; or

h. Scotch broom. (Ord. 984, August 2015)

i. Noxious vegetation does not include vegetation that constitutes an agricultural crop unless that vegetation is a health hazard, a fire hazard, or a traffic hazard. (Ord. 977, December 2014)

OFF-ROAD VEHICLE: Any self-propelled motor vehicle that is designed or capable of traversing natural terrain, including, but not limited to, motorcycles, dirt bikes, four-wheel drive vehicles, all-terrain vehicles, jeeps and halftracks, and excluding electric assisted bicycles.

ODOR: Premises that are in such a state or condition as to cause an offensive odor, or that are in an unsanitary condition.

PERSON IN CHARGE OF PROPERTY: An owner, agent, occupant, lessee, contract purchaser, or other person having possession or control of property or the supervision of any construction project.

PERSON RESPONSIBLE: The persons responsible for abating a nuisance, including:

a. The owner;

b. The person in charge of property; or

c. The person who caused a nuisance to come into or continue in existence.

PLAINLY AUDIBLE SOUND: Any sound that is clearly distinguishable from other sounds, such as but not limited to, amplified speech sufficiently loud to be understood by a person with normal hearing, or when a person with normal hearing can readily discern whether an amplified or reproduced human voice is raised or normal, or any musical sound sufficiently loud to permit the melody or rhythm to be recognized by a person with normal hearing, or any other sound sufficiently loud to materially affect the ability of a person with normal hearing to understand a verbal communication made in a normal conversational tone from a distance of 10 feet or less.

PRIVIES: An open vault or receptacle for human waste constructed and maintained within the City, except those constructed or maintained in connection with construction projects or outdoor, community gatherings of large groups of people, in accordance with the State Health Division regulations.

PUBLIC PLACE: A building, way, place, or accommodation, whether publicly or privately owned, open and available to the general public.

PUBLIC THOROUGHFARE: A street, alley, bicycle path, pedestrian way, or trail that is open to the public.

REFUSE/RUBBISH: Any material discarded or rejected as useless or worthless.

SLAUGHTERHOUSES: An establishment where animals are killed and processed for meat, where animal byproducts are rendered, or where animal hides are tanned. For purposes of this Chapter, an establishment where livestock are kept in a confined manner shall also be considered a slaughterhouse.

SOUND PRODUCTION OR REPRODUCTION DEVICE: Any radio, stereo, loudspeaker, amplifier, television, tape player, or other similar machine or mechanical or electrical device intended for the production, reproduction, or amplification of sound.

STAGNANT WATER: Water that affords a breeding place for mosquitoes and other insect pests.

SURFACE DRAINAGE: Drainage of liquid wastes from private premises.

VEHICLE: Any device in, upon, or by which any person or property may be transported or drawn upon a public highway, except devices moved by human power or used exclusively upon stationary rails or tracks.

WATER POLLUTION: Repealed. (Ord. 899, October 1, 2007)

WEED: Any plant on Marion County Weed District's list of plants categorized as "Educate and Control" or "Immediate Action / Eradicate." (Ord. 984, August 2015)

8.04.020 PUBLIC HEALTH NUISANCES

No person shall cause or permit on property owned or controlled by that person any nuisance affecting the public health. Cesspools, debris, decayed food, odor, privies, slaughterhouses and other similar establishments, stagnant water, and surface drainage are nuisances affecting the public health and shall be abated as provided in Sections 8.04.240 through 8.04.290. (Ord. 899, October 1, 2007)

8.04.030 ATTRACTIVE NUISANCES

1. No person shall create an attractive nuisance or hazard by:

   a. Maintaining or leaving in a place accessible to children a container with a compartment of more than one and one-half cubic feet capacity and a door or lid which locks or fastens automatically when closed and which cannot be easily opened from the inside, including specifically any used icebox, refrigerator or freezer of any size or shape; or

   b. Being the owner or otherwise having possession of property upon which there is a well, cistern, cesspool, excavation, or other hole of a depth of four feet or more and a top width of twelve inches or more and failing or refusing to cover or fence it with a suitable protective construction.

2. No owner or person in charge of property shall permit on the property:

   a. Unguarded machinery, equipment, or other devices that is attractive, dangerous, and accessible to the public;

   b. Lumber, logs, or piling placed or stored in a manner so as to be attractive, dangerous, or accessible to the public;

   c. An open pit, quarry, cistern, or other excavation without safeguards or barriers to prevent such places from being accessed by the public.

   This subsection shall not apply to authorized construction projects with reasonable safeguards to prevent injury or death to the public. (Ord. 711, November, 1992; Ord. 899, October 1, 2007)

8.04.040 SNOW AND ICE

No owner or person in charge of property, improved or unimproved, abutting on a public sidewalk shall permit:

1. Snow to remain on the sidewalk for a period longer than the first 12 hours after daybreak after the snow has fallen;

2. Ice to remain on the sidewalk for more than 12 hours after daybreak after the ice has

formed unless the ice is covered with sand, ashes, or other suitable material to assure safe travel. (Ord. 711, November, 1992)

8.04.050 SCATTERING RUBBISH

No person shall deposit upon public or private property any kind of rubbish, trash, debris, refuse, or any substance that would mar the appearance, create a stench or fire hazard, detract from the cleanliness or safety of the property, or would be likely to injure a person, animal, or vehicle traveling upon a public way. (Ord. 711, November, 1992) (Ord. 977, December 2014)

8.04.055 ODOR

No owner or person in charge of property shall conduct an activity which produces a strong and offensive odor perceptible off of the premises. A business is required to utilize air filtration which, to the greatest extent feasible, confines all objectionable odors associated with the facility to the premises. For the purpose of this provision, the standard for judging "objectionable odors" shall be that of an average, reasonable person with ordinary sensibilities after taking into consideration the character of the neighborhood in which the odor is made and the odor is detected. (Ord. 1040, October 21, 2019)

8.04.060 TREES AND VEGETATION OBSTRUCTING VIEW

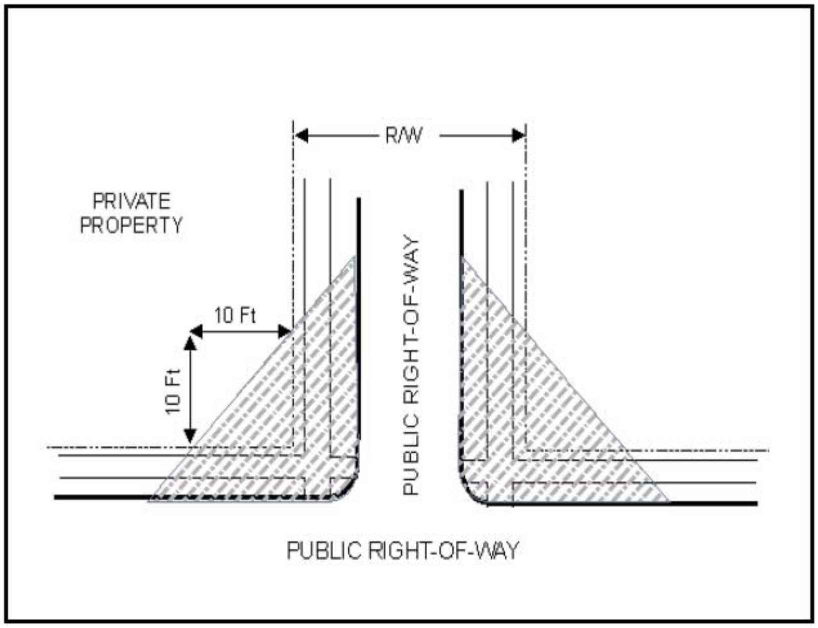
1. No owner or person in charge of property that abuts a street or public sidewalk shall permit trees or vegetation on the property to interfere with street or sidewalk traffic.
2. The owner or person in charge of property shall keep all trees and vegetation on the property, including the adjoining parking strip, trimmed to a height of not less than 10 feet above the sidewalk and not less than 12 feet above the roadway. (Ord. 798, May 17, 1999) (Ord 26-001, February 2, 2026)
3. No owner or person in charge of property shall allow any hedge or other obstructing vegetation within the vision clearance area (also known as the sight distance triangle) described in this Chapter per the requirements contained in SMC Section 17.26.020.4.c) and d).

   a. Repealed.

   b. The vision clearance area shall not contain temporary or permanent obstructions to vision exceeding 24 inches in height above the curb level or street shoulder where there is no curb, except a supporting pillar or post not greater than 12 inches in diameter or 12 inches on the diagonal of a rectangular pillar or post; and, further, excepting utility poles and those posts, poles, tree trunks, street signs, street lights, and traffic control signs.

   c. Vision clearance shall not be required at a height 7 feet or more above the curb level or 7 feet 6 inches above the shoulder of a street that does not have curbs.

   d. The vision clearance provisions of this section shall not be construed as waiving or altering any yard, landscaping or setback requirements that may be required in Title 17 or any other section of this Code.



e. Repealed. (Ord. 899, October 1, 2007)

8.04.070 BARBED WIRE OR ELECTRIC FENCES

1. No owner or person in charge of property shall construct or maintain a barbed wire fence, or permit barbed wire to remain as a part of a fence, within three feet of a sidewalk or public way, except such wire may be placed above the top of other fencing not less than 6 feet high.

2. No owner or person in charge of property shall construct, maintain, or operate an electric fence except to contain livestock permitted under Section 6.04.185. (Ord. 711, November, 1992; Ord. 899, October 1, 2007)

8.04.080 INADEQUATE DRAINAGE

1. No owner or person in charge of property shall cause or permit any water from any ditch, canal, flume, reservoir pipeline, or conduit above or below the ground to leak or flow over or under any premises, public street, sidewalk, or other public property where such leak or flow shall endanger the public health, safety, welfare, or convenience.

2. No owner or person in charge of a building or structure shall cause or permit rainwater, ice, or snow to fall from the building or structure onto a public sidewalk or to flow across the sidewalk. The owner or person in charge of any structure shall install and maintain in proper repair adequate drainpipes or a drainage system, so that any overflow water accumulating on the roof or about the building is not carried across or upon the sidewalk. (Ord. 711, November, 1992; Ord. 899, October 1, 2007)

8.04.090 OBSTRUCTION OF SIDEWALKS AND ALLEYS

1. Except as specifically provided in this section or in Section 5.52 CONDUCTING BUSINESS IN A STREET RIGHT-OF-WAY, no person shall place or maintain any item obstructing a sidewalk or alley that extends more than 36 inches into the public right-of-way. (Ord. 25-002, May 5, 2025)

2. No person may obstruct any portion of a sidewalk, street, or alley with any building material in connection with the alteration or construction of buildings without first obtaining a permit from the City Manager. (Ord. 25-002, May 5, 2025)

3. If obstruction is permitted under subsection 2 of this section, not more than one-third of the street or alley shall be occupied or obstructed with material, and only in front of the property where the building is being altered or constructed.

4. Any person who maintains an obstruction under subsection 2 of this section shall, upon request of the City Manager (Ord. 25-002, May 5, 2025), give written proof of carrying liability insurance to cover any hazard.

5. If a permit is granted to allow obstruction, the person so obstructing shall maintain a substantial temporary sidewalk around the construction. A guard railing and amber light as a danger signal shall be kept at each end of the obstruction during the hours between sunset to sunrise.

6. Nothing in this section shall be construed to prohibit the display of goods and materials upon private property, nor shall it apply to persons receiving or discharging goods or merchandise across a sidewalk or alley in accordance with all applicable laws. (Ord. 711, November, 1992; Ord. 899, October 1, 2007)

8.04.100 OBSTRUCTING WATERWAYS OR PUBLIC THOROUGHFARES

No person shall interfere with, obstruct, create a congested condition or render dangerous for passage any stream, canal, waterway, or any public park, square, sidewalk, public way, alley, street, or highway. (Ord. 727, February 1993. '1; Ord. 899, October 1, 2007)

8.04.110 UTILITY WIRES STRUNG TOO LOW

No wires used for the transmission of electricity or for any communication purposes shall be strung less than 15 feet above the surface of the ground. (Ord. 711, November, 1992; Ord. 899, October 1, 2007)

8.04.120 DAMAGED, DERELICT AND DANGEROUS STRUCTURES

1. No property shall contain any dangerous or derelict structure as described in this Chapter. All such buildings or structures shall be repaired or demolished.

2. Derelict Structures

   a. A derelict structure is any unoccupied nonresidential building, structure, or portion thereof that meets any of the following criteria or any residential building which is at least 50% unoccupied and meets any of the following criteria:

      i. Has been ordered vacated by the Enforcement Officer pursuant to SMC Section 8.04.235.2; or,

      ii. Has been issued a notice of infraction by the Enforcement Officer pursuant to SMC Section 8.04.230; or,

      iii. Is unsecured; or,

      iv. Is boarded unless the boarding is required by the Enforcement Officer; or,

      v. Has, while vacant, had a nuisance declared by the City on the property upon which it is located.

b. Any property which has been declared by the Building Official to include a derelict structure shall be considered in violation of this Chapter until:

i. The structure has been lawfully occupied;

ii. The structure has been demolished and the lot cleared and graded after approval is issued by the City, with final inspection and approval by the Building Official, or,

iii. The owner has demonstrated to the satisfaction of the Building Official that the property is free of all conditions causing its status as a derelict structure. (Ord. 899, October 1, 2007)

3. Dangerous Structures

a. Any structure which through damage, neglect or lack of maintenance, has any or all of the following conditions or defects to the extent that life, health, property or safety of the public or the structure's occupants are endangered, shall be deemed to be a dangerous structure, declared a nuisance, and such condition or defects shall be abated pursuant to SMC Section 8.04.230.

i. *High loads*. Whenever the stress in any materials, member, or portion of a structure, due to all dead and live loads, is more than 1-1/2 times the working stress or stresses allowed by the current Oregon building codes for new buildings of similar structure, purpose, or location.

ii. *Weakened or unstable structural members or appendages.*

a. Whenever any portion of a structure has been damaged by fire, earthquake, wind, flood, or by any other cause, to such an extent that the structural strength or stability is materially less than it was before such catastrophe and is less than the minimum requirements of the current Oregon building codes for new buildings of similar structure, purpose, or location; or

b. Whenever appendages including parapet walls, cornices, spires, towers, tanks, statuaries, or other appendages or structural members which are supported by, attached to, or part of a building, and which are in a deteriorated condition or otherwise unable to sustain the design loads which are specified in the current Oregon building codes.

iii. *Buckled or leaning walls, structural members*. Whenever the exterior walls or other vertical structural members list, lean, or buckle to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base.

iv. *Vulnerability to earthquakes, high winds*

a. Whenever any portion of a structure is wrecked, warped, buckled, or has settled to such an extent that walls or other structural portions have materially less resistance to winds or earthquakes than is required in the case of similar new construction; or

b. Whenever any portion of a building, or any member, appurtenance, or ornamentation of the exterior thereof is not of sufficient strength or stability, or is not so anchored, attached or fastened in place so as to be capable of resisting a wind pressure of one half of that specified in the current Oregon building codes for new buildings of similar structure, purpose, or location without exceeding the working stresses permitted in the current Oregon building codes for such buildings.

v. *Insufficient strength or fire resistance*. Whenever any structure which, whether or not erected in accordance with all applicable laws and ordinances:

a. Has in any non-supporting part, member, or portion, less than 50% of the strength or the fire-resisting qualities or characteristics required by law for a newly constructed building of like area, height, and occupancy in the same location; or

b. Has in any supporting part, member, or portion less than 66% of the strength or the fire-resisting qualities or characteristics required by law in the case of a newly constructed building of like area, height, and occupancy in the same location.

vi. *Risk of failure or collapse*

a. Whenever any portion or member or appurtenance thereof is likely to fail, or to become disabled or dislodged, or to collapse and thereby injure persons or damage property; or

b. Whenever the structure, or any portion thereof, is likely to partially or completely collapse as a result of any cause, including but not limited to:

1. Dilapidation, deterioration, or decay;
2. Faulty construction;
3. The removal, movement, or instability of any portion of the ground necessary for the purpose of supporting such structure; or
4. The deterioration, decay, or inadequacy of its foundation.

vii. *Excessive damage or deterioration*. Whenever the structure exclusive of the foundation:

a. Shows 33% or more damage or deterioration of its supporting member or members;

b. 50% damage or deterioration of its non-supporting members; or

c. 50% damage or deterioration of its enclosing or outside wall coverings.

viii. *Demolition remnants on site*. Whenever any portion of a structure, including unfilled excavations, remains on a site for more than 30 days after the demolition or destruction of the structure;

ix. *Fire hazard*. Whenever any structure is a fire hazard as a result of any cause, including but not limited to dilapidated condition, deterioration, or damage; inadequate exits; lack of sufficient fire-resistive construction; or faulty electric wiring, gas connections, or heating apparatus.

x. *Other hazards to health, safety, or public welfare*

a. Whenever, for any reason, the structure, or any portion thereof, is manifestly unsafe for the purpose for which it is lawfully constructed or currently is being used; or

b. Whenever a structure is structurally unsafe or is otherwise hazardous to human life, including but not limited to whenever a structure constitutes a hazard to health, safety, or public welfare by reason of inadequate maintenance, dilapidation, unsanitary conditions, obsolescence, fire hazard, disaster, damage, or abandonment.

xi. *Public nuisance*. Whenever the structure has been so damaged by fire, wind, earthquake or flood or any other cause, or has become so dilapidated or deteriorated as to become an attractive nuisance or a harbor for vagrants or criminals.

xii. *Chronic dereliction*. Whenever a derelict structure remains unoccupied for a period in excess of 6 months or period less than 6 months when the structure or portion thereof constitutes an attractive nuisance or hazard to the public.

xiii. *Violations of codes, laws*. Whenever any structure has been constructed, exists, or is maintained in violation of any specific requirement or prohibition applicable to such structure provided by the building regulations of this City, as specified in the current Oregon building codes or any law or ordinance of this State or City relating to the condition, location, or structure or buildings. (Ord. 899, October 1, 2007)

4. Abatement of Dangerous Structures

All structures or portions thereof which are determined after inspection by the Building Official to be dangerous as defined in this Chapter are hereby declared to be public nuisances and shall be abated by repair, rehabilitation, demolition, or removal in accordance with the procedures specified herein. If the Building Official determines that a structure is dangerous, as defined by this Chapter, the Enforcement Officer shall commence proceedings to cause the repair, vacation or demolition of the structure. (Ord. 899, October 1, 2007)

8.04.130 NOXIOUS VEGETATION

1. No owner or person in charge of property shall allow noxious vegetation to be on the property or in the public right-of-way abutting on the property. An owner or person in charge of property shall cut down or destroy grass, shrubbery, brush, bushes, weeds, or other noxious vegetation as often as needed to prevent them from becoming noxious vegetation. (Ord. 977, December 2014)

2. Between March 1st and April 15th of each year, the City Administrator may publish three times, in a newspaper of general circulation in the City, a copy of subsection 1 as a notice to all owners and persons in charge of property of the duty to keep their property free from noxious vegetation. The notice shall state that the City is willing to abate the nuisance on a particular parcel of property at the request of the owner or person in charge of the property for a fee sufficient to cover the City's abatement costs. The notice shall also state that, in the absence of request, the City intends to abate all nuisances 10 or more days after the final publication of the notice and to charge the cost of doing so to the

owner or the person responsible for the property, or on the property itself.

3. In lieu of providing notice as provided in subsection 2 of this section, between March 1st and April 15th of each year, the City Administrator may obtain a list of property owners within the City and may then mail a notice to each listed property owner. The notice shall include a copy of subsection 1 advising property owners of their duty to keep their property free from noxious vegetation. The notice shall also state that the City is willing to abate the nuisance on a particular parcel of property for a fee sufficient to cover the City's abatement costs. The notice shall also state that, in the absence of such request, the City intends to abate all such nuisances at any time and the City will charge the cost of abating the nuisance on a particular parcel of property to the owner or the person responsible for the property, or on the property itself.

4. During any time of each year, the City Administrator may provide notice for abatement of noxious vegetation as provided in SMC Section 8.04.240.

5. If the notices provided for in subsections 2 or 3 are used, they shall be in lieu of the notice required by Section 8.04.240. (Ord. 711, November, 1992; Ord. 899, October 1, 2007)

8.04.140 NOISE AND VIBRATIONS

1. No person shall make, assist in making, continue, or cause to be made any loud, disturbing or unnecessary noise which either annoys, disturbs, injures or endangers the comfort, repose, health, safety or peace of others between the hours of 10:00 p.m. and 7:00 a.m. except as otherwise provided. (Ord. 773, 4 August, 1997)

2. Loud, disturbing and unnecessary noises include, but are not limited to:

   a. The keeping of any animal which, by causing frequent or continued noise, disturbs the comfort and repose of any person in the vicinity.

   b. The use of a vehicle or engine, either stationary or moving, so out of repair, loaded, or operated as to create any loud or unnecessary grating, grinding, rattling, or other noise.

   c. The sounding of a horn or signaling device on a vehicle on a street, public place, or private place, except as a necessary warning of danger.

   d. Repealed. (Ord. 899, October 1, 2007)

   e. The use of a mechanical device operated by compressed air, steam, or otherwise, unless the noise created thereby is effectively muffled.

   f. The erection, including excavation, demolition, alteration, or repair of a building in residential districts other than between the hours of 7:00 a.m. and 6:00 p.m., except in case of urgent necessity in the interest of the public welfare and safety, and then only with permit granted by the City Administrator for a period not to exceed 10 days. The permit may be renewed for periods of five days while the emergency continues to exist. If the City Administrator determines that the public health, safety, and welfare will not be impaired by the erection, demolition, alteration, or repair of a building between the hours of 6:00 p.m. and 7:00 a.m., and if the City Administrator shall further determine that loss or inconvenience would result to any person unless the work is permitted within those hours, the City Administrator may grant permission for such work to be done within specified hours between 6:00 p.m. and 7:00 a.m., upon application therefore being made at the time the permit for the work is awarded or during the progress of the work. The owner of property may do work on property actually occupied by the owner between the hours of 6:00 p.m. and 10:00 p.m. without obtaining a permit.

g. The use of a gong or siren upon a vehicle other than an emergency services vehicle except when used as part of a community function such as a parade or other special promotion for which a permit has been issued under SMC Chapter 10.36.

h. The creation of loud or disturbing noises on a street adjacent to a school, institution of learning, church, or court of justice, while the same are in use, or on a street adjacent to a hospital, nursing home, or other institution for the care of the sick or infirm, which interferes with the safe operation of such institution or disturbs or unduly annoys occupants.

i. The discharge in the open air of the exhaust of a steam engine, internal combustion engine, motorboat, or motor vehicle, except through muffler or other device which will effectively prevent loud or explosive noises.

j. The use or operation of an automatic or electric piano, phonograph, radio, television, loudspeaker, or any instrument for sound producing, or any sound production device so loudly as to disturb persons in the vicinity thereof, or in such a manner as renders the use thereof a nuisance. However, upon application to the Chief of Police, permits may be granted to responsible persons or organizations for the broadcast or amplification of programs of music, news, speeches, or general entertainment as a part of a national, state, or municipal event, public festivals, or outstanding events of a noncommercial nature.

k. The making of a noise by crying, calling, or shouting or by means of a whistle, rattle, bell, gong, clapper, horn, hammer, drum, musical instrument, or other device for the purpose of advertising goods, wares, or merchandise, attracting attention, or inviting patronage of a person to a business.

l. The conducting, operating, or maintaining of a commercial or industrial business within 100 feet of a private residence, apartment, rooming house, or hotel in such manner as to cause loud or disturbing noises to be emitted there from between the hours of 10:00 p.m. and 7:00 a.m.

m. The use or operation of a portable, standby, or stationary generator, including but not limited to gasoline, diesel, or propane-powered generators, in such a manner as to create loud, disturbing, or unnecessary noise that is plainly audible beyond the property on which it is located at any time of the day, except during an emergency.

For purposes of this subsection, “emergency” means an unforeseen circumstance involving the interruption of electrical services, immediate danger to life, health, or property, or a situation requiring immediate action to protect public health, safety, or welfare. (Ord. 26-001, February 2, 2026.)

3. No person shall make, assist in making, continue, or cause to be made any loud, disturbing, or unnecessary noise which either annoys, disturbs, injures, or endangers the comfort, repose, health, safety or peace of others at any time in the following manner: (Ord. 773, August 4, 1997)

a. The use or operation of any sound production or reproduction device, car alarm or horn on public property or on a public right-of-way so as to cause a plainly audible sound fifty feet or more from such device, except as allowed by permits in SMC section 2, subsection j. or in the case of an actual emergency. (Ord. 711, November, 1992; Ord. 773, August 4, 1997)

b. The operation, or to permit the use or operation of any device designed for sound production or reproduction, including, but not limited to any radio, television set, musical instrument, phonograph, loud speaker, bell, chime, horn, in such a manner as to cause a noise disturbance and as defined in SMC Section 8.04.140.2.d and k, except as allowed by permits in SMC Section 8.04.140.2.j, so as to be plainly audible within any dwelling unit, church, temple, synagogue, business, day care center or school; which is not the source of the sound. The sources of noise within the City industrial zones are exempt from this SMC section 8.04.150 (3).(Ord. 773, 4 August, 1997; Ord. 899, October 1, 2007)

c. Except when used for property maintenance or authorized governmental purposes, the operation or permitting the use or operation of any off-road vehicle:

i. between the hours of 10:00 pm and 7:00 am;

ii. for more than three hours between the hours of 7:00am and 10:00pm;

iii. in violation of the standards set in OAR 736-004-0160;

~~i.~~iv. within 100 feet of any property line; or

v. on any property owned, leased controlled, or maintained by the City of Stayton, except in areas specifically designated or authorized by the City for such use.

8.04.150 POSTED NOTICES

No person shall affix a sign, placard, bill, or poster upon personal or real property, private or public, without first obtaining permission from the owner thereof or from the proper public authority. (Ord. 711, November, 1992)

8.04.160 ADVERTISING: PUBLIC PROPERTY, PROHIBITION

1. Except as otherwise specifically permitted, no person may: Place, display, scatter, or distribute any advertising matter or erect, place, or display any structure or device which is used to display advertising matter within any public street right of way, or other public thoroughfare except on the City-provided cables on N First Ave between Cedar and Regis Streets in accordance with SMC Section 17.20.140.3.1 and sidewalk signs in the Downtown Zones as allowed in accordance with SMC Title 17.20.140.9-A.

Attach any advertising matter to any tree, pole, or post situated on any public property within the City. (Ord. 711, November, 1992; Ord. 899, October 1, 2007) (Ord. 977, December 2014)

8.04.170 ADVERTISING: PRIVATE PROPERTY, PROHIBITION

No person may display any advertising matter on or across any private property within the City without the express consent of the owner or person in charge of such property. (Ord. 711, November, 1992; Ord. 899, October 1, 2007)

8.04.180 ADVERTISING: PUBLIC PROPERTY, EXCEPTIONS

1. The City Administrator may permit any person to display or distribute advertising on City-owned property for meetings or entertainment. If the request is denied, the applicant may appeal to the City Council.
2. Any sign or device permitted under this Section must conform to standards in the Oregon Structural Specialty Code as adopted by Marion County, where such standards are applicable.
3. Nothing in SMC Sections 8.04.170 through 8.04.190 of this Chapter shall prohibit the proper display of notices of any election to be held by the federal or state governments or any subdivision thereof, or of notices of judicial sales, or any other notices or advertisements issued or displayed pursuant to law/code or ordinance. (Ord. 711, November, 1992; Ord. 899, October 1, 2007) (Ord. 977, December 2014)

8.04.190 ADVERTISING: REMOVAL

The Police Chief or designate may immediately remove and dispose of any advertising matter or sign or other device displayed or erected within the City in violation of any of the terms of this Chapter. (Ord. 711, November, 1992; Ord. 899, October 1, 2007)

8.04.200 JUNK ACCUMULATION

1. No person shall keep any junk outdoors on any street, lot, or premises, or in a building that is not wholly or entirely enclosed, except doors used for ingress and egress.
2. This section shall not apply to junk kept by a junk dealer licensed under SMC Chapter 5.36. (Ord. 711, November, 1992; Ord. 899, October 1, 2007)

8.04.210 DISCARDED VEHICLES

1. No person shall store or permit the storing of a discarded vehicle on any private property for more than seventy-two hours, unless it is completely enclosed within a building or in a space entirely enclosed by a solid fence, hedge, or screen, not less than 6 feet in height, or unless it is in connection with a business enterprise dealing in junked vehicles lawfully conducted within the City.

2. In addition to or in lieu of the procedures contained in SMC Sections 8.04.240 through 8.04.290 for abating nuisances, vehicles found in violation of subsection 1 of this section may be impounded and disposed of in accordance with the applicable state law for vehicles abandoned in public places. (Ord. 711, November, 1992; Ord. 899, October 1, 2007)

8.04.220 UNENUMERATED NUISANCES

1. The acts, conditions, or objects, specifically enumerated and defined in SMC Sections 8.04.020 through 8.04.210 are declared public nuisances, and such acts, conditions or

objects may be abated by any of the procedures set forth in Sections 8.04.240 through 8.04.290.

2. In addition to the nuisances specifically enumerated in this Chapter, every other thing, substance or act which is determined by the Council to be injurious or detrimental to the public health, safety or welfare is declared a nuisance and may be abated as provided in this Chapter. (Ord. 711, November, 1992; Ord. 899, October 1, 2007)

8.04.230 ABATEMENT: NOTICE

1. If satisfied that a nuisance exists, the Enforcement Officer shall notify the property owner by registered or certified mail at the address of record in the Marion County Assessor's Office of the nuisance conditions, directing the person responsible to abate the nuisance.
2. The notice to abate shall contain:
   a. A description of the real property, by street address or otherwise, on which the nuisance exists.
   b. A direction to abate the nuisance within 10 days from the date of the notice.
   c. A description of the nuisance.
   d. A statement that, unless the nuisance is removed, the City may abate the nuisance and the cost of the abatement will be charged to the person responsible.
   e. A statement that failure to abate a nuisance may warrant imposition of a fine.
   f. A statement that the person responsible may protest the order to abate by giving written notice to the City Administrator within 10 days from the date of the notice.
3. If the person responsible is not the owner, an additional notice shall be served on the owner, whose name and address appear on the County tax records, stating that the cost of abatement not paid by the person responsible may be assessed to and become a lien on the property.
4. If there is an inaccuracy in the name or address of the person responsible or property owner it shall not affect the validity of the notice. (Ord. 711, November, 1992; Ord. 899, October 1, 2007) (Ord. 977, December 2014)

8.04.235 ABATEMENT OF DANGEROUS STRUCTURES.

All structures or portions thereof which are determined after inspection by the Building Official to be dangerous as defined in this Chapter are hereby declared to be public nuisances and shall be abated by repair, rehabilitation, demolition or removal in accordance with the procedures specified herein. If the Building Official determines that a structure is dangerous, as defined by this Chapter, the Enforcement Officer shall commence proceedings to cause the repair, vacation or demolition of the structure.

1. <u>Notice of Status as Derelict or Dangerous Structure</u>
   a. When the Building Official determines that a structure is a derelict or dangerous structure, the Enforcement Officer shall give notice of the infraction to the owner

pursuant to this Chapter. Additional notice to other affected persons, such as tenants and holders of a security interest shall be given. In addition to the notice required by SMC Section 8.04.230, the Enforcement Officer shall give the statement of actions required to cure or remedy the condition and, if necessary, the order to vacate described in SMC Section 8.04.235.2.

b. Statement of Actions Required

i. Notice of the statement of action shall be given in conjunction with the notice of infraction pursuant to SMC Section 8.04.230.

ii. The statement of the action required to cure or remedy a condition giving rise to classification of a structure as derelict or dangerous shall include the following:

(a) If the Building Official has determined that the building or structure must be repaired, the statement shall require that all required permits be secured and the work physically commenced within such time from the date of the statement and completed within such time as the Enforcement Officer shall determine is reasonable under all of the circumstances, but no more than 10 days, or the building or structure be demolished.

(b) If the Building Official has determined that the building or structure must be vacated, the statement shall order that the building or structure shall be vacated within a time certain from the date of the statement as determined by the Enforcement Officer to be reasonable, but no more than 7 days.

(c) If the Building Official has determined that

(1) the building or structure is vacant,

(2) the building or structure is structurally sound and does not present a fire hazard, and

(3) the building or structure has presented or is likely to present a danger to individuals who may enter the building or structure even though they are unauthorized to do so, the statement shall require that the building or structure be secured against unauthorized entry by means which may include but are not limited to the boarding up of doors and windows.

(d) If the Building Official has determined that the building or structure must be demolished, the statement shall order that the building be vacated within such time as the Enforcement Officer shall determine is reasonable from the date of the statement; that all required permits be secured from the date of the statement, and that the demolition be completed within such time as the Enforcement Officer shall determine is reasonable.

(e) Statements advising that if any required repair or demolition work (without vacation also being required) is not commenced within the time specified, the Enforcement Officer will order the building vacated and posted to prevent further occupancy until the work is completed, and may proceed to cause the work to be done and charge the costs thereof against the property or its owners.

2. Notice of Unsafe Occupancy

a. Posting Notice. In conjunction with an order to vacate, a notice shall be posted at or upon each exit of the building and shall be in substantially the following form:

DO NOT ENTER

UNSAFE TO OCCUPY

It is a violation of Chapter 8.04 of the Stayton Municipal Code to enter or occupy this building or to remove or deface this Notice.

Enforcement Officer

City of Stayton

____

b. Compliance

i. Upon an order to vacate and the posting of an unsafe building notice, no person shall remain in or enter any building which has been so posted, except that entry may be made to repair, demolish or remove such building under permit.

ii. No person shall remove or deface any such notice after it is posted until the required repairs, demolition or removal have been completed and either a final inspection has been conducted in the case of residential structure or a certificate of occupancy issued pursuant to the provisions of the building code ordinance. (Ord. 899, October 1, 2007)

8.04.240 ABATEMENT: PROTEST HEARING.

1. Within the time limit set by the notice under SMC section 8.04.230 or 8.04.235, the person responsible shall remove the nuisance or show that no nuisance exists.

2. A person responsible, protesting that no nuisance exists, shall file with the City Administrator a written statement that specifies the basis for so protesting.

3. The statement shall be referred to the Council as a part of its regular agenda at its next succeeding meeting. At the time set for consideration of the abatement, the person protesting may appear and be heard by the Council. The Council shall determine whether or not a nuisance exists, or whether abatement of any nuisance will work a hardship on the property owner or person in charge of property out of proportion to the benefit to the public. Council determinations shall be required only in those cases where a written statement has been filed as provided herein.

4. If the Council determines that a nuisance does exist and that abatement will not work an unreasonable hardship, the person responsible shall abate the nuisance within 10 days after the Council determination, or within such other time limit as may be set by the

Council. (Ord. 711, November, 1992; Ord. 899, October 1, 2007)

8.04.250 ABATEMENT: JOINT RESPONSIBILITY

If more than one person is a person responsible, they shall be jointly and severally liable for abating the nuisance, or for the costs incurred by the City in abating the nuisance. (Ord. 711, November, 1992; Ord. 899, October 1, 2007)

8.04.260 ABATEMENT BY CITY: PROCEDURE

1. If, within the time allowed, the nuisance has not been abated by the person responsible, the Council may cause the nuisance to be abated.
2. The Enforcement Officer has the right at reasonable times to enter into or upon the property to investigate or cause the removal of a nuisance in accordance with SMC Chapter 1.24.
3. The person charged with removing any nuisance shall use all reasonable care so as to do a minimum of damage to any ornamental grass or bushes or any structure or other item not the subject of the abatement.
4. The City Administrator shall keep an accurate record of the expense incurred by the City in physically abating the nuisance and shall include therein a charge of $100 or 10% of those expenses, whichever is greater, for administrative overhead.
5. The cost of any abatement by the City shall be paid from the general fund, and all income resulting from the enforcement of SMC Section 8.04.280 and the collection of such costs shall be credited to said fund. (Ord. 711, November, 1992; Ord. 899, October 1, 2007) (Ord. 977, December 2014)

8.04.270 ABATEMENT BY CITY: ASSESSMENT OF COSTS

1. The City Administrator shall deliver, by personal service or by mail, both regular and certified mail (return receipt requested), to the person responsible and to the owner a notice stating:
   a. The total cost of abatement, including the administrative overhead;
   b. That the cost as indicated will be assessed to and become a lien against the property unless paid within thirty days from the date of the notice.
   c. That if the person responsible objects to the cost of the abatement as indicated, that person may file a notice of objection with the City Administrator not more than 10 days from the date of the notice.
2. If the costs of the abatement are not paid within thirty days from the date of the notice an assessment of the costs as stated shall then be entered in the docket of City liens against the property from which the nuisance was removed or abated.
3. The lien shall be enforced in the same manner as liens for street improvements are enforced and shall bear interest at the rate of 9% per year. The interest shall be computed from the date of entry of the lien in the lien docket.
4. If there is an inaccuracy in the name of the owner or person responsible, if such persons do not receive the notice of the proposed assessment, the assessment shall remain a valid lien against the property.

8.04.280 SUMMARY ABATEMENT

The procedure provided by SMC Sections 8.04.240 through 8.04.270 is not exclusive, but is in addition to procedures provided by other sections of this Chapter for the removal of nuisances, and the Chief of Police or the City Administrator may proceed summarily to abate a health or other nuisance which unmistakably exists, and which imminently endangers human life or property. (Ord. 711, November, 1992; Ord. 899, October 1, 2007)

8.04.290 ABATEMENT AS ADDITIONAL REMEDY

The abatement of a nuisance is not a penalty for violating this Chapter, but is an additional remedy. The imposition of a penalty does not relieve a person of the duty to abate the nuisance; however, abatement of a nuisance within the time set by the notice to abate, or if a written protest has been filed, abatement within 10 days of Council determination that a nuisance exists, will relieve the person responsible from the imposition of any fine for such nuisance. (Ord. 711, November, 1992; Ord. 899, October 1, 2007)

8.04.300 REPEATE NUISANCE VIOLATIONS (Ord.26-001, February 2, 2026)

1. Notwithstanding the notice and abatement provisions of SMC 8.04.230, when the Enforcement Officer determines that a person responsible has committed a second or subsequent violation of the same provision of this Chapter on the same property within a twelve (12) month period, the Enforcement Officer may issue a citation and impose a penalty pursuant to SMC 8.04.390 without providing an additional opportunity to abate the nuisance prior to the imposition of the penalty.

2. For purposes of this section, a violation shall be considered a repeat violation if:

   a. The same provision of this Chapter is violated;
   b. The violation occurs on the same property; and
   c. the violation occurs withing twelve (12) months of the date of a prior notice of violation or citation for the same nuisance condition.

3. The issuance of a citation and imposition of a penalty for a repeate violation shall not relieve the person responsible of the duty to abate the nuisance, and the City may require abatement or proceed with abatement pursuant to this Chapter.

4. Nothing in this section shall limit the City's authority to summarily abate a nuisance pursuant to SMC 8.04.280.

8.04.310 REGISTRATION OF FORECLOSED RESIDENTIAL PROPERTY

1. Definitions. As used in this section:

   a. "Foreclosed residential real property" means residential property, as defined in ORS 18.901, that an owner obtains as a result of foreclosing a trust deed on the residential property; or receiving a judgement that forecloses a lien on the residential property.

b. "Neglect" means:

i. To fail or a failure to maintain the buildings, grounds or appurtenances of foreclosed residential real property in such a way as to allow:

1. Growth of noxious vegetation, as defined in Section 8.04.130, that diminishes the value of adjacent property;
2. Trespassers or squatters to remain on the foreclosed residential real property or in a structure located on the foreclosed residential real property;
3. Mosquito larvae or pupae to grow in standing water on the foreclosed residential real property; or,
4. Other conditions on the foreclosed residential real property that cause or contribute to causing a public nuisance.

ii. To fail or a failure to monitor the condition of foreclosed residential real property by inspecting the foreclosed residential real property at least once every 30 days with sufficient attention so as to prevent, or to identify and remedy, a condition described in subsection i above.

c. "Owner" means a person, other than the City of Stayton, that forecloses a trust deed by advertisement and sale under ORS 86.735 or by suit under ORS 88.010.

2. Owner's Responsibility

a. An owner may not neglect the owner's foreclosed residential real property during nay period in which the foreclosed residential real property is vacant.

b. An owner shall provide the owner's name or the name of the owner's agent to the City Planner.

c. An owner shall post a durable notice in a conspicuous location on the foreclosed residential real property that lists a telephone number for the owner that a person may call to report a condition of neglect. The owner shall replace the notice if the notice is removed from the foreclosed residential real property during a period when the foreclosed residential real property is vacant.

d. An owner or the agent of an owner shall identify the owner of the foreclosed residential real property to the City Planner and shall provide to, and maintain with, the Planning Department current contact information during a period when the foreclosed residential real property is vacant.

3. Notice of Violation

a. If the Enforcement Officer finds a violation of subsection 2.a above, the Enforcement Officer shall notify the owner in writing of the foreclosed residential real property that is the subject of the violation and in accordance with paragraph 3.b or 3.c below, as appropriate, shall specify a time within which the owner must remedy the condition of neglect that is the basis for the Enforcement Officer's finding.

b. The Enforcement Officer shall allow the owner not less than 30 days to remedy the violation unless the Enforcement Officer makes a determination under paragraph 3.c below and shall provide the owner with an opportunity to contest the Enforcement Officer's finding at a hearing. The owner must contest the Enforcement Officer's finding within 10 days after the City Planner notifies the owner of the violation.

c. If the Enforcement Officer determines that a specific condition of the foreclosed residential real property constitutes a threat to public health or safety, the Enforcement Officer may require an owner to remedy the specific condition in less than 30 days, provided that the Enforcement Officer specifies in the written notice the date by which the owner must remedy the specific condition. The Enforcement Officer may specify in the written notice different dates by which the owner must remedy separate conditions of neglect on the foreclosed residential real property.

d. After the Enforcement Officer allows an owner the time specified in subsection 3.b above or makes a determination under subsection 3.c above, the Enforcement Officer shall follow the procedures under Sections 8.04.260 through 8.04.290 above for abatement of the nuisance conditions. (Ord. 956, September 3, 2014)

8.04.320 TO 8.04.360 RESERVED FOR EXPANSION

8.04.370 OCCUPANCY OF RESIDENTIAL PROPERTY AFTER NOTICE OF VIOLATION

1. If a notice of violation of SMC Section 8.04.120 has been issued, and if the affected dwelling unit(s) is or becomes vacant, it shall be unlawful to reoccupy or permit re-occupancy of the unit(s) for residential purposes until the necessary permits are obtained, corrections made, and permit inspection approvals given.
2. Notwithstanding SMC Subsection 8.04.370.1, the Enforcement Officer may permit re-occupancy of the dwelling unit if in the Building Official's opinion, all nuisance conditions have been addressed and rectified. (Ord. 899, October 1, 2007)

8.04.380 INTERFERENCE WITH REPAIR, DEMOLITION, OR ABATEMENT PROHIBITED.

It is unlawful for any person to obstruct, impede, or interfere with any person lawfully engaged in:

1. The work of repairing, vacating, warehousing, or demolishing any structure pursuant to the provisions of this Chapter;
2. The abatement of a nuisance pursuant to the provisions of this Chapter.
3. The performance of any necessary act preliminary to or incidental to such work as authorized by this Chapter or directed pursuant to it.

8.04.390 VIOLATION: PENALTY

1. Any person, firm, or corporation who violates any provision of this Chapter is punishable upon conviction by a fine as provided in subsection 2 of this section. This penalty may be assessed against the owner and the person in charge of the property. Each day that the violation persists after notification shall be deemed as a separate offense.
2. A violation of a provision of this Chapter is punishable by a fine approved by Council Resolution. (Ord. 899, October 1, 2007) (Ord. 977, December 2014)

ORDINANCE NO. 26-006

AMENDING STAYTON MUNICIPAL CODE CHAPTER 8.04, NUISANCES, TO ADD TWO DEFINITIONS TO SECTION 8.04.010 AND REGULATE OFF-ROAD VEHICLES UNDER 8.04.140, NOISE AND VIBRATIONS

WHEREAS, the City of Stayton (City) has adopted Chapter 8.04 of the Stayton Municipal Code ("SMC" or "Code") to regulate nuisances and protect the public health, safety, and welfare; and

WHEREAS, the City Council has received complaints regarding the operation of off-road vehicles on private property in residential areas for extended periods of time and on multiple days each week; and

WHEREAS, the City's existing noise regulations generally exempt noises occurring between the hours of 7:00 a.m. and 10:00 p.m. and do not adequately address prolonged operation of off-road vehicles in residential neighborhoods; and

WHEREAS, at its meeting held on June 15, 2026, the City Council directed staff to prepare Code amendments to address the nuisance impacts associated with the noise and vibrations of off-road vehicles operated within residential areas; and

WHEREAS, the City Council finds that reasonable regulation of off-road vehicles is necessary to protect the health, safety, welfare, and quiet enjoyment of neighboring properties, while still allowing reasonable recreational and maintenance-related uses.

NOW, THEREFORE, THE CITY OF STAYTON ORDAINS:

SECTION 1. **Findings.** The findings in the above recitals are hereby adopted as support for these Code amendments.

SECTION 2. Amending SMC 8.04.010, Definitions. SMC Section 8.04.010, Definitions, is hereby amended to insert the following definitions into the existing listed definitions, in alphabetical order:

ELECTRIC ASSISTED BICYCLE: A vehicle that:

a. Is designed to be operated on the ground on wheels;
b. Has a seat or saddle for use of the rider;
c. Is designed to travel with not more than three wheels in contact with the ground;
d. Has both fully operative pedals for human propulsion and an electric motor; and
e. Is equipped with an electric motor that:
    i. Has a power output of not more than 1,000 watts; and
    ii. Is incapable of propelling the vehicle at a speed of greater than 20 miles per hour on level ground.

OFF-ROAD VEHICLE: Any self-propelled motor vehicle that is designed or capable of traversing natural terrain, including, but not limited to, motorcycles, dirt bikes, four-wheel drive vehicles, all-terrain vehicles, jeeps and halftracks, and excluding electric assisted bicycles.

SECTION 3. Amending SMC Section 8.04.140.3, Noise and Vibrations. SMC Section 8.04.140, Noise and Vibrations, Subsection 3, is hereby amended to add a Subsection 3.c, as follows:

c. Except when used for property maintenance or authorized governmental purposes, the operation or permitting the use or operation of any off-road vehicle:
   i. between the hours of 10:00 pm and 7:00 am;
   ii. for more than three hours between the hours of 7:00am and 10:00pm;
   iii. in violation of the standards set in OAR 736-004-0160;
   iv. within 100 feet of any property line; or
   v. on any property owned, leased controlled, or maintained by the City of Stayton, except in areas specifically designated or authorized by the City for such use.

SECTION 4. Continued Effect. All unamended provisions of the City of Stayton's Municipal Code shall remain unchanged and in full force and effect.

SECTION 5. Severability. The sections, subsections, paragraphs, and clauses of this ordinance and the attached Code provisions are severable. The invalidity of one section, subsection, paragraph, or clause shall not affect the validity of the remaining sections, subsections, paragraphs, and clauses.

SECTION 6. Codification. Provisions of this Ordinance shall be incorporated into the City of Stayton's Municipal Code, and the words "ordinance" or "section" may be changed to "code," "article," "chapter," "division," or another word, and the sections of this Ordinance may be renumbered or re-lettered, provided however that any recital clause and boilerplate provisions of this Ordinance need not be codified, and the City Recorder is authorized to correct any cross-references and any typographical errors.

SECTION 7. Effective Date. This Ordinance shall take effect on the thirtieth (30th) day following its adoption by the City Council.

ADOPTED BY THE STAYTON CITY COUNCIL THIS 6TH DAY OF JULY, 2026.

CITY OF STAYTON

Signed:_____________, 2026 BY: ________________________________
Brian Quigley, Mayor

Signed:_____________, 2026 ATTEST: ________________________________
Julia Hajduk, City Manager

CITY OF STAYTON

M E M O R A N D U M

TO:	**Mayor Brian Quigley and the Stayton City Council**
FROM:	**James Brand, Finance Director**
DATE:	**July 6, 2026**
SUBJECT:	**Resolution No. 26-019, Amending the Fee Schedule**

ISSUE

Shall the City amend the fee schedule to add inflation for System Development Charges (SDC's), increase Swimming Lesson fees, and add back the Grading Permit Fees.

STAFF RECOMMENDATION

Staff recommends approval of Resolution No. 26-019 as presented.

BACKGROUND INFORMATION

Recent City fee changes were adopted in Resolution 26-014 on June 1st, 2026. Those fee changes go into effect July 1st, 2026. That resolution did not include the inflationary increases to the SDC's which is done annually. The annual Construction Cost Index has been published at a 2.8% increase and the fees for SDC's have been calculated and are now ready for adoption. This rate will be applied to all the City's SDC's including those for Water, Wastewater, Stormwater, Parks, and Transportation.

In the future, this resolution shall be reviewed annually and the rates amended as appropriate for the next fiscal year. The City shall use the rate of inflation for construction as reported in the Engineering News Records, published by the McGraw-Hill companies, as the 20-City Average Construction Cost Index published in the month of May.

The increases for the swimming lessons are directly related to the failure of recent tax levies that were designed to help fund the pool. Many options to help fund the Pool have been considered and the fee for swimming lessons has been identified for a significant increase since those rates have been historically low compared to other pools in the area. Grants to help offset this price increase are also being secured that will help certain families pay the higher fee.

It was discovered recently that the Grading Permit fees were inadvertently dropped from the fee schedule. They were originally added in Resolution 1045 for fiscal year 2023.

FISCAL IMPACT

Adoption of the amended SDC's will help ensure new development pays for its impact on the associated infrastructure systems. Fees are paid at time of building permit issuance; therefore, it is challenging to predict with certainty the actual revenues this fee adjustment will generate. If SDC's are not increased for inflation, future revenues will not keep pace with rising costs. SDC revenues must be used within their respective funds to cover capital improvement projects for system infrastructure expansion needed to serve growth.

Loss of the Recreation Levy created a significant funding gap for the Pool. Alternative funding sources are required to keep the pool operating. Fee increases for swimming lessons will help the effort to keep the pool open.

Adding back the grading permit fees will help ensure the City is properly reimbursed for its costs of providing oversight to the grading permit process.

SUMMARY

Staff recommend the City Council adopt this resolution to amend the fee schedule. These changes will be effective July 7, 2026.

OPTIONS AND MOTIONS

The City Council is presented with the following options.

1. **Adopt Resolution No. 26-019 as presented.**

   Motion to approve Resolution No. 26-019 as presented.

2. **Adopt Resolution No. 26-019 as amended.**

   Motion to amend the fees and adopt Resolution 26-019, as amended.

3. **Do not adopt Resolution No. 26-019.**

   Take no action and retain the existing fee schedule.

RESOLUTION NO. 26-019
AMENDING THE 2026-27 FEE SCHEDULE

WHEREAS, the City of Stayton intends for developers to continue contributing their proportionate share toward infrastructure improvements through updated and legally defensible System Development Charges (SDC's); and

WHEREAS, Stayton Municipal Codes 13.12, 13.16, 13.24, and 13.32 require rates to be established to pay for the costs of operating the City's water, wastewater, and stormwater utilities; and

WHEREAS, the existing adopted SDC rate methodology allows for annual inflationary adjustments based on the 20 City Average Construction Cost Index published by Engineering News Record; and

WHEREAS, this index for June 2026 reflects an increase of 2.8%, which shall be applied to the Water, Wastewater, Stormwater, Parks, and Transportation SDC's; and

WHEREAS, the City of Stayton receives requests from citizens and businesses for the Pool which require the expenditure of personnel time and resources; and

WHEREAS, use of the City's resources requires that the City charge fees sufficient to recover the cost in time and materials to render the services requested; and

WHEREAS, the City of Stayton has adopted Resolution 26-014 (June 2026) which is a comprehensive fee schedule that did not include updates to the SDC's; and

WHEREAS, such rates are to be set in Resolution form by the Stayton City Council.

NOW THEREFORE, THE CITY OF STAYTON RESOLVES:

SECTION 1. The City of Stayton hereby adopts a 2.8% increase to all five of its System Development Charges consistent with the applicable Index increase. The amended SDC fee schedule is attached as Exhibit A. The pool swimming lesson fees are increased as shown in Exhibit B. The grading permit fees are added to the fee schedule as shown in Exhibit C. All these changes shall be effective July 7, 2026.

This Resolution shall become effective upon its adoption by the Stayton City Council.

ADOPTED BY THE STAYTON CITY COUNCIL THIS 6TH DAY OF JULY 2026.

CITY OF STAYTON

Signed:_____________, 2026 BY: _______________________________

Brian Quigley, Mayor

Signed:_____________, 2026 ATTEST: _______________________________

Julia Hajduk, City Manager

EXHIBIT A

Systems Development Charges (SMC 13.12)

Wastewater - Stayton SDC (shared and Stayton only)

Meter size	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
Reimbursement	~~$7,535~~ $7,746	$~~12,558~~ $12,910	~~$25,116~~ $25,819	~~$40,186~~ $41,311	~~$80,372~~ $82,622	~~$125,582~~ $129,098	~~$251,163~~ $258,196	~~$401,861~~ $413,113
Improvement	~~$4,130~~ $4,246	~~$6,883~~ $7,076	~~$13,767~~ $14,152	~~$22,027~~ $22,644	~~$44,053~~ $45,286	~~$68,832~~ $70,759	~~$137,665~~ $141,520	~~$220,264~~ $226,431
Compliance	~~$78~~ $80	~~$130~~ $134	~~$260~~ $267	~~$416~~ $428	~~$832~~ $855	~~$1,300~~ $1,336	~~$2,600~~ $2,673	~~$4,160~~ $4,276
Total	**~~$11,743~~ $12,072**	**~~$19,571~~ $20,120**	**~~$ 39,143~~ $40,238**	**~~$62,629~~ $64,383**	**~~$125,257~~ $128,763**	**~~$195,714~~ $201,193**	**~~$391,428~~ $402,389**	**~~$626,285~~ $643,820**

Wastewater - Sublimity SDC (shared system)

Meter size	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
Reimbursement	~~$4,812~~ $4,947	~~$8,021~~ $8,246	~~$16,041~~ $16,490	~~$25,666~~ $26,385	~~$51,332~~ $52,769	~~$80,205~~ $82,451	~~$160,410~~ $164,901	~~$256,657~~ $263,843
Improvement	~~$1,455~~ $1,496	~~$2,425~~ $2,493	~~$4,850~~ $4,986	~~$7,761~~ $7,978	~~$15,521~~ $15,956	~~$24,252~~ $24,931	~~$48,503~~ $49,861	~~$77,605~~ $79,778
Compliance	~~$42~~ $43	~~$68~~ $70	~~$137~~ $141	~~$219~~ $225	~~$437~~ $449	~~$683~~ $702	~~$1,367~~ $1,405	~~$2,187~~ $2,248
Total	**~~$6,309~~ $6,486**	**~~$10,514~~ $10,809**	**~~$21,028~~ $21,617**	**~~$33,646~~ $34,588**	**~~$67,290~~ $69,174**	**~~$105,140~~ $108,084**	**~~$210,280~~ $216,167**	**~~$336,449~~ $345,869**

Water

Meter size	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	Multi fam/unit
Reimbursement	~~$1,409~~ $1,448	~~$2,353~~ $2,419	~~$4,692~~ $4,823	~~$7,511~~ $7,721	-	-	-	-	~~$1,127~~ $1,159
Improvement	~~$2,735~~ $2,812	~~$4,568~~ $4,696	~~$9,108~~ $9,363	~~$14,581~~ $14,989	-	-	-	-	~~$2,188~~ $2,249
Total	**~~$4,144~~ $4,260**	**~~$6,921~~ $7,115**	**~~$13,800~~ $14,186**	**~~$22,092~~ $22,710**	-	-	-	-	**~~$3,315~~ $3,408**

Stormwater

New dwelling on existing (2009) street based on assumed avg impervious area of 3500 sq ft.	**~~$2,580~~ $2,652**
New dwelling on new street (built after 2009) based on assumed avg impervious area of 5020 sq ft.	**~~$3,682~~ $3,785**

All other additional new impervious surfaces (per sq ft)	~~$0.74~~ $.76
Transportation	
~~$4,701~~ $4,833 per PM Peak trip end – contact Public Works for full Transportation SDC Schedule based on ITE code	
Single family (detached)	~~$7,441~~$7,649/unit
Multi-family (low rise)	~~$2,269~~$2,333/unit

Parks	**per residential unit**
Reimbursement	~~$251~~$258
Improvement	~~$3,730~~$3,834
Total	**~~$3,981~~$4,092**

For informational purposes only – the total SDC for a typical single family detached home in Stayton would be:

	Wastewater	Water	Stormwater	Transportation	Parks	Total
¾" meter, home on new street	~~$11,743~~ $12,072	~~$4,144~~ $4,260	~~$3,682~~ $3,785	~~$7,441~~ $7,649	~~$3,981~~ $4,092	**~~$30,991~~ $31,858**
¾" meter, new home on "existing" street	~~$11,743~~ $12,072	~~$4,144~~ $4,260	~~$2,580~~ $2,652	~~$7,441~~ $7,649	~~$3,981~~ $4,092	**~~$29,889~~ $30,725**

POOL RATES

	Resident	Non-Resident*
Drop-In		
Adult	$7.00	$9.75
Youth (1-17 years old) / Seniors (59+)	$4.75	$6.75
Family (2-5 individuals from the same household)	$21.00	$29.50
Each additional family member above 5	$2.25	$3.25
Punch Cards (10 visits)		
Adult	$62.50	$87.50
Youth (1-17 years old) / Seniors (59+)	$41.50	$58.00
Children under age 1	free	free
Monthly Memberships		
Adult	$58.00	$81.25
Youth (1-17 years old) / Seniors (59+)	$34.75	$48.75
Family (2+ individuals from the same household)	$98.25	$137.50
Private Pool Rentals (hourly rate)		
Pool Rental 2 guards (0-25 people)	$127.25	$178.75
Pool Rental 3 guards (0-50 people w/slide)	$150.25	$210.25
Pool Rental 4 guards (51-75 people w/slide)	$173.50	$243.00
Pool Rental 5 guards (up to 100 people w/slide)	$196.50	$275.00
Swimming Lessons		
Eight 30-minute sessions	~~$52.00~~ $100.00	~~$73.00~~ $140.00
Private lesson	~~$52.00~~ $100.00	~~$73.00~~ $140.00

*Non-Residents are those who live outside the Stayton city limits.

EXHIBIT C

Grading Permits – both the application fee and the engineering and plan review fees must be paid prior to permit issuance	
Permit Application Fee:	
• Up to 1,000 Cubic Yards	$600
• 1,001 to 10,000 Cubic Yards	$1,200
• More than 10,000 Cubic Yards	$1,800
Engineering and Plan Review	Actual Costs

CITY OF STAYTON

M E M O R A N D U M

TO: Mayor Quigley and the Stayton City Council

FROM: Dean Butler, Seargeant, Stayton Police Department

DATE: July 6, 2026

SUBJECT: Ordinance No. 26-007, Amending Stayton Municipal Code Title 10.16 Related to Towing, Storage, and Impoundment of Vehicles

---

ISSUE

Whether or not to adopt an ordinance to amend the Stayton Municipal Code (SMC) Title 10.16 Towing, Storage and Impoundment of vehicles which makes changes to bring the SMC into compliance with state law and adds section to support the charging of an Administrative Tow Fee.

ENCLOSURE(S)

- Proposed Changes to SMC 10.16
- Ordinance No. 26-007 with Exhibits

STAFF RECOMMENDATION

Staff recommends the approval of amendments to SMC Chapter 10.16, as it will bring the SMC into compliance with state law and remove references to sections that are no longer in SMC. This will also support the charging of an Administrative Fee for impounded vehicles as outlined by Oregon Revised Statutes (ORS) 809.720.

BACKGROUND INFORMATION

In the past, the city of Stayton Police Department charged an Administrative Fee related to impounding vehicles. The Stayton Police Department has stopped charging an Administrative Fee after court cases both at state and federal levels narrowed the scope of impounding vehicles. In these cases, courts found that impounding a vehicle violated the U.S. Constitution under the Fourth Amendment because it did not fit within the “Community Caretaking” exception.

The City has updated policy, consistent with State laws and CIS recommendations and we now have the authority to tow. These changes to the Code are needed to clean up and clarify the permissible Administrative Fee, which is allowed for actual costs to the agency during the impound and release process, must be supported by the cost to the agency. The administrative fee shall be reviewed annually.

There is currently an Impound Tow Charge of $125 in our fee schedule. Staff reviewed this and determined this is justified by the costs associated with the administrative components of towing and release, therefore a fee adjustment is not recommended at this time.

FISCAL IMPACT

The fiscal impact to the city is not known, but there is the ability to recover staff cost related to vehicle impounds under ORS 809.720, such as filling out the impound/tow form, conducting vehicle inventory, time spent on tow standby, vehicle entry and removal from LEDS, time related to the release of vehicles impounded under ORS 809.720.

OPTIONS AND MOTIONS

1. **Approve the first consideration of Ordinance No. 26-007.**

    Motion to approve Ordinance No. 26-007, as presented.

2. **Amend Ordinance No. 26-007.**

    Motion to amend Ordinance No. 26-007 as follows …

    Following the amendment motion, a motion to adopt the amended Ordinance:

    Motion to adopt Ordinance No. 26-007, as amended.

3. **Reject Ordinance No. 26-007.**

    No motion necessary.

TITLE 10. VEHICLES AND TRAFFIC

CHAPTER 10.16

TOWING, STORAGE AND IMPOUNDMENT OF VEHICLES

SECTIONS

10.16.400	Impoundment and Disposition of Vehicles: General Regulations
10.16.410	Impoundment and Storage by Private Towing Firm
10.16.420	Post-Towing Notice to Owner
10.16.430	Reasonable Storage Charge
10.16.440	Hearing Procedure
10.16.450	Owner Reclaiming Vehicle
10.16.460	Appraisal of Unclaimed Vehicles
10.16.470	Disposition of Motor Vehicle
10.16.480	Reserved
10.16.490	To Be Held at Expense of Owner
10.16.500	Administrative Tow Fee

10.16.400 IMPOUNDMENT AND DISPOSITION OF VEHICLES: GENERAL REGULATIONS

1. In addition to the provisions herein, disposition of vehicles impounded, towed and stored shall be in accordance with Oregon law.

2. Impoundment of a vehicle does not preclude issuance of a citation for violation of a provision of this title.

3. A police officer who has probable cause to believe that a person, at or just prior to the time the police officer stops the person, has committed an offense described in this subsection may, without prior notice, order the vehicle impounded until a person with right to possession of the vehicle complies with the conditions for release (See ORS 809.720(3)) or the vehicle is ordered released by a hearings officer (See ORS 809.716). This subsection applies to the following offenses:

   (a) Driving while suspended or revoked in violation of ORS 811.175 or 811.182.

   (b) Driving while under the influence of intoxicants in violation of ORS 813.010.

   (c) Operating without driving privileges or in violation of license restrictions in violation of ORS 807.010.

   (d) Driving uninsured in violation of ORS 806.010.

4. Abandoned (ORS 819.100) or hazardous (ORS 819.120) vehicles removed by the City may be towed and stored at the owner's expense.

5. Recovered stolen vehicles may be towed from public or private property and stored at the expense of the vehicle owner.

6. A vehicle abandoned, as defined by state law in relation to abandon vehicles is subject to removal and sale in accordance with provisions of state law.

7. A vehicle which is stored in violation of the provisions of this code relating to storage of motor vehicles on streets is subject to removal and sale in accordance with provisions of state law on impoundment and disposition of abandoned vehicles – ORS 819.100 to 819.260.

8. Vehicles removed and impounded pursuant to SMC Section 10.12.~~0~~18~~6~~0 shall be taken to a public garage or other suitable place for storage of the vehicle, and kept until released or otherwise disposed of pursuant to this section.

   a. The owner of the vehicle, or any person authorized by the owner to act on the owner's behalf, may redeem the vehicle pursuant to the procedures of SMC Sections 10.16.410 through 10.16.490.

   b. A motor vehicle so impounded shall be held and, if not lawfully redeemed, shall be disposed of as provided in ORS 819.210 through 819.260. A certificate of sale referenced therein shall contain the following notice:

   The City of Stayton makes no warranty as to the condition or title of the above-described vehicle. In the event this sale shall for any reason be invalid, the liability of the City is limited to return of the purchase price.

9. In the event the Stayton Police impound a vehicle from outside the Stayton city limits, such impoundment shall be in accordance with Oregon law and the provisions of the Stayton Municipal Code, and the charges assessed shall be pursuant to the Stayton Municipal Code.

10. If the public right of way needs to be closed temporarily for an official purpose such as (but not limited to) street maintenance or an event, the Chief of Police or designee may post the street with a ~~24 hour~~24-hour notice to remove any vehicles or privately owned property from the right of way. If the vehicles or the privately owned property are not removed within the ~~24hour~~24-hour period the vehicles and property may be removed by the City at the owner's expense per SMC.

10.16.410 IMPOUNDMENT AND STORAGE BY PRIVATE TOWING FIRM

1. In the enforcement and execution of the provisions of SMC Section 10.16.400, the City may contract the services of one or more competent towing service firms for the removal and storage of motor vehicles taken into custody of the City for any reason. The Stayton City Council shall by resolution establish a schedule of maximum charges for storage of such motor vehicles, which shall apply to vehicles stored by the City.

2. Where a private towing contractor is used, the following conditions shall apply:

   a. The City shall not be liable for services rendered by a private towing service unless the City is the purchaser or owner of the stored or impounded vehicle.

   b. The vehicle shall not be released from the private towing service except upon a receipt, signed by the Police Chief or designee.

3. A towing service firm which, at the request of the City, takes a vehicle into custody shall have a lien on the vehicle and its contents for the just and reasonable towing charges, may retain possession of the vehicle and its contents until the charges are paid, and may cause the vehicle and its contents to be sold at public auction pursuant to SMC Section 10.16.470 and Oregon Revised Statutes.

10.16.420 POST-TOWING NOTICE TO OWNER

1. If a motor vehicle is taken into the custody of the City, the Chief of Police or designee, shall make reasonable efforts to ascertain the names and addresses of the registered owner and the legal owner, if any, and the person entitled to possession.

2. If the names and addresses of such owners or persons entitled to possession ~~or either of them~~ can be ascertained, the Chief of Police or designee shall send via ~~cause notice to be~~ certified mailed within forty-eight (48) hours of the date of recovery, addressed to the registered owner of the vehicle and a similar letter addressed to the legal owner, if any. Such notice shall include the following information:

   a. The statute or SMC or rule under which the vehicle has been taken into custody or removed.

   b. The location where the vehicle may be redeemed by the owner or person entitled to possession upon satisfactory proof of ownership or right to possession.

c. That a lien has arisen on the vehicle in favor of the person who towed the vehicle for just and reasonable towing and storage charges.

d. The amount of any fees, fines or bail which must be paid or posted pursuant to SMC Section 10.12.260.

e. The date after which the vehicle will be subject to public sale.

f. That a hearing on the validity of the tow and on the creation and amount of the lien may be had if requested within five (5) days of mailing of the notice.

g. That the costs of hearing may be assessed against the vehicle owner.

3. Actual notice of a tow may be given personally to the owner or person entitled to possession. Such actual notice must include all the information required under Subsection 2. of this section. Actual notice may be used in lieu of the mailed notice required by Subsection 2.

10.16.430 REASONABLE STORAGE CHARGE

The maximum charge per day for storage of a motor vehicle towed and stored by the City in a City owned location is set by "Fees and Charges" Resolution.

10.16.440 HEARING PROCEDURE

1. Upon written request of the legal owner or the registered owner or any other person who reasonably appears to have an interest in the vehicle, within 5 days of the date on the letter sent SMC section 10.16.420, parties of interest shall ~~,~~ delivered to the appropriate authority ~~court~~ having jurisdiction over municipal ordinance or SMC matters, a request for a hearing. The hearing shall be held before the judge hearing municipal ordinance or SMC matters. The written request shall state the grounds upon which the person requesting the hearing believes that the removal and custody of the vehicle is not justified.

2. Upon receipt of a request for a hearing under this section, the appropriate authority shall set a time for the hearing within 72 hours of the receipt of the request and shall provide notice of the hearing to the person requesting the hearing and to the owners of the vehicle and any lessors or security interest holders shown in the records of the Department of Transportation, if not the same as the person requesting the hearing. The 72-hour period in this subsection does not include holidays, Saturdays or Sundays.~~The hearing shall be set and conducted within two (2) regular court days of receipt of the request, holidays, Saturdays, and Sundays not included. The hearing can be set for a later date if the owner or person entitled to possession so requests.~~

~~2.~~3. At the hearing the owner may contest:

a. The validity of the action of the enforcement officer in taking the vehicle into custody.

~~b.~~ The reasonableness of the charge set for towing and storage of vehicle. Towing, administrative fee, and storage charges set by ordinance or by contract entered into pursuant to ordinance are presumed to be reasonable for the purpose of this section.

4. The City shall have the burden of showing the validity of the taking of the vehicle.

~~pursuant to ordinance are presumed to be reasonable for the purpose of this section.~~

~~3. The City shall have the burden of showing the validity of the taking of the vehicle;~~

~~4. At any time prior to the requested hearing, the owner or the person entitled to possession of the vehicle may regain possession of the vehicle as provided by SMC Section 10.08.152 by depositing with the City security in the form of cash in an amount sufficient to cover costs of removing and storage and any fines or bails owed pursuant to SMC Section 10.12.340.~~

5. If the judge hearing municipal ordinance or SMC matters finds that:

    a. The action of the city in taking the vehicle into custody was proper, the judge hearing municipal ordinance or SMC matters shall enter an order supporting the removal and may assess costs of the hearing against the person requesting the hearing.

    b. The action of the enforcement officer in taking the vehicle into custody was invalid, the judge shall:

        i. Order the vehicle released to the owner.

        ii. Find that the owner is not liable for any towing or storage charges occasioned by the taking.

        iii. Order the City to satisfy the towing and storage lien.

6. If the person requesting the hearing does not appear at the scheduled hearing, the judge hearing municipal ordinance or SMC matters may enter an order supporting the removal and assessment of towing and storage costs and apply any security posted against such costs.

7. The action of the judge hearing municipal ordinance or SMC matters pursuant to this section is final.

10.16.450 OWNER RECLAIMING VEHICLE

The legal owner, registered owner, or person entitled to possession of an unclaimed vehicle may reclaim such vehicle ~~during normal business hours of~~ at the Stayton Police Department. ~~Records Office.~~ The vehicle may be reclaimed after the vehicle is taken into custody, and before it is sold, upon presentation of satisfactory proof of ownership or right of possession, proof of insurance, a licensed driver to the Stayton Police

Department and payment of the administrative fee. Once the vehicle is released by satisfying the above requirements, the tow and storage fee shall be paid to the towing company who has custody of the vehicle by the person claiming the vehicle. ~~an impoundment fee and storage charges or posting of security is made as required under this chapter. (Ord. 667, section 1[part], 1989)~~ If redemption is not made after the vehicle is impounded, such vehicle shall be disposed of in accordance with provisions of state laws.

10.16.460 APPRAISAL OF UNCLAIMED VEHICLES

Within ten (10) days of any motor vehicle coming into the custody of the City for any reason and stored on city property, the Chief of Police or designee, shall cause such vehicle to be appraised by a person possessing a valid appraiser certificate under state law. (Ord. 667, section 1[part], 1989)

10.16.470 DISPOSITION OF MOTOR VEHICLE

Vehicles that have been unclaimed may be disposed of in accordance with the procedures set by Oregon Revised Statues 819.210 to 819.260.

10.16.480 RESERVED

10.16.490 TO BE HELD AT EXPENSE OF OWNER

Except as provided in SMC Section 10.16.440(4), unclaimed motor vehicles which come into the custody, actual or constructive, of the City for any reason shall be held at the expense of the owner and any costs incurred by the city in finding, transportation, giving of notices, storage, care, administrative fee, and custody of such property shall be paid by the owner or other person lawfully entitled to possession thereof before such property may be released.

10.16.500 ADMINISTRATIVE TOW FEE

The Stayton Police Department charges as outlined in Fees and Charges Resolution, administrative fee for each vehicle impound. This fee reflects actual staff and administrative costs and is authorized under ORS 809.720(3)(c).
The fee is separate from towing and storage charges and will be reviewed annually for accuracy.

ORDINANCE NO. 26-007
AMENDING STAYTON MUNICIPAL CODE 10.16, TOWING, STORAGE, AND IMPOUNDMENT OF VEHICLES

WHEREAS, Stayton Municipal Code 10.16 authorizes the impounding of motor vehicles without prior notice for offenses described in the code;

WHEREAS, Oregon Revised Statue (ORS) 809.720 authorizes a police department to charge an Administrative Fee that reflects actual staff and administrative cost before releasing the impounded vehicle;

WHEREAS, the Administrative Fee is separate from towing and storage charges, charged by a towing company;

WHEREAS, the Administrative Fee will be reviewed annually for accuracy; and

WHEREAS, Stayton Municipal Code must be updated to allow the charging of an Administrative Fee.

NOW THEREFORE, THE STAYTON CITY COUNCIL ORDAINS AS FOLLOWS:

Section 1. Stayton Municipal Code Chapter 10.16 Towing, Storage and Impoundment of Vehicles, is hereby amended as set forth in Exhibit 1.

ADOPTED BY THE STAYTON CITY COUNCIL THIS 6TH DAY OF JULY 2026.

Signed:_____________, 2026 BY: ________________________________
Brian Quigley, Mayor

Signed:_____________, 2026 ATTEST: ________________________________
Julia Hajduk, City Manager

TITLE 10. VEHICLES AND TRAFFIC

CHAPTER 10.16

TOWING, STORAGE AND IMPOUNDMENT OF VEHICLES

SECTIONS

10.16.400 Impoundment and Disposition of Vehicles: General Regulations
10.16.410 Impoundment and Storage by Private Towing Firm
10.16.420 Post-Towing Notice to Owner
10.16.430 Reasonable Storage Charge
10.16.440 Hearing Procedure
10.16.450 Owner Reclaiming Vehicle
10.16.460 Appraisal of Unclaimed Vehicles
10.16.470 Disposition of Motor Vehicle
10.16.480 Reserved
10.16.490 To Be Held at Expense of Owner
10.16.500 Administrative Tow Fee

10.16.400 IMPOUNDMENT AND DISPOSITION OF VEHICLES: GENERAL REGULATIONS

1. In addition to the provisions herein, disposition of vehicles impounded, towed and stored shall be in accordance with Oregon law.

2. Impoundment of a vehicle does not preclude issuance of a citation for violation of a provision of this title.

3. A police officer who has probable cause to believe that a person, at or just prior to the time the police officer stops the person, has committed an offense described in this subsection may, without prior notice, order the vehicle impounded until a person with right to possession of the vehicle complies with the conditions for release (See ORS 809.720(3)) or the vehicle is ordered released by a hearings officer (See ORS 809.716). This subsection applies to the following offenses:

(a) Driving while suspended or revoked in violation of ORS 811.175 or 811.182.

(b) Driving while under the influence of intoxicants in violation of ORS 813.010.

(c) Operating without driving privileges or in violation of license restrictions in violation of ORS 807.010.

(d) Driving uninsured in violation of ORS 806.010.

4. Abandoned (ORS 819.100) or hazardous (ORS 819.120) vehicles removed by the City may be towed and stored at the owner's expense.

5. Recovered stolen vehicles may be towed from public or private property and stored at the expense of the vehicle owner.

6. A vehicle abandoned, as defined by state law in relation to abandon vehicles is subject to removal and sale in accordance with provisions of state law.

7. A vehicle which is stored in violation of the provisions of this code relating to storage of motor vehicles on streets is subject to removal and sale in accordance with provisions of state law on impoundment and disposition of abandoned vehicles – ORS 819.100 to 819.260.

8. Vehicles removed and impounded pursuant to SMC Section 10.12.180 shall be taken to a public garage or other suitable place for storage of the vehicle, and kept until released or otherwise disposed of pursuant to this section.

   a. The owner of the vehicle, or any person authorized by the owner to act on the owner's behalf, may redeem the vehicle pursuant to the procedures of SMC Sections 10.16.410 through 10.16.490.

   b. A motor vehicle so impounded shall be held and, if not lawfully redeemed, shall be disposed of as provided in ORS 819.210 through 819.260. A certificate of sale referenced therein shall contain the following notice:

   The City of Stayton makes no warranty as to the condition or title of the above-described vehicle. In the event this sale shall for any reason be invalid, the liability of the City is limited to return of the purchase price.

9. In the event the Stayton Police impound a vehicle from outside the Stayton city limits, such impoundment shall be in accordance with Oregon law and the provisions of the Stayton Municipal Code, and the charges assessed shall be pursuant to the Stayton Municipal Code.

10. If the public right of way needs to be closed temporarily for an official purpose such as (but not limited to) street maintenance or an event, the Chief of Police or designee may post the street with a 24-hour notice to remove any vehicles or privately owned property from the right of way. If the vehicles or the privately owned property are not removed within the 24-hour period the vehicles and property may be removed by the City at the owner's expense per SMC.

10.16.410 IMPOUNDMENT AND STORAGE BY PRIVATE TOWING FIRM

1. In the enforcement and execution of the provisions of SMC Section 10.16.400, the City may contract the services of one or more competent towing service firms for the removal and storage of motor vehicles taken into custody of the City for any reason. The Stayton City Council shall by resolution establish a schedule of maximum charges for storage of such motor vehicles, which shall apply to vehicles stored by the City.

2. Where a private towing contractor is used, the following conditions shall apply:

   a. The City shall not be liable for services rendered by a private towing service unless the City is the purchaser or owner of the stored or impounded vehicle.

   b. The vehicle shall not be released from the private towing service except upon a receipt, signed by the Police Chief or designee.

3. A towing service firm which, at the request of the City, takes a vehicle into custody shall have a lien on the vehicle and its contents for the just and reasonable towing charges, may retain possession of the vehicle and its contents until the charges are paid, and may cause the vehicle and its contents to be sold at public auction pursuant to SMC Section 10.16.470 and Oregon Revised Statutes.

10.16.420 POST-TOWING NOTICE TO OWNER

1. If a motor vehicle is taken into the custody of the City, the Chief of Police or designee, shall make reasonable efforts to ascertain the names and addresses of the registered owner and the legal owner, if any, and the person entitled to possession.

2. If the names and addresses of such owners or persons entitled to possession can be ascertained, the Chief of Police or designee shall send via certified mailed within forty-eight (48) hours of the date of recovery, addressed to the registered owner of the vehicle and a similar letter addressed to the legal owner, if any. Such notice shall include the following information:

   a. The statute or SMC or rule under which the vehicle has been taken into custody or removed.

   b. The location where the vehicle may be redeemed by the owner or person entitled to possession upon satisfactory proof of ownership or right to possession.

c. That a lien has arisen on the vehicle in favor of the person who towed the vehicle for just and reasonable towing and storage charges.

d. The amount of any fees, fines or bail which must be paid or posted pursuant to SMC Section 10.12.260.

e. The date after which the vehicle will be subject to public sale.

f. That a hearing on the validity of the tow and on the creation and amount of the lien may be had if requested within five (5) days of mailing of the notice.

g. That the costs of hearing may be assessed against the vehicle owner.

3. Actual notice of a tow may be given personally to the owner or person entitled to possession. Such actual notice must include all the information required under Subsection 2. of this section. Actual notice may be used in lieu of the mailed notice required by Subsection 2.

10.16.440 HEARING PROCEDURE

1. Upon written request of the legal owner or the registered owner or any other person who reasonably appears to have an interest in the vehicle, within 5 days of the date on the letter sent SMC section 10.16.420, parties of interest shall delivered to the appropriate authority having jurisdiction over municipal ordinance or SMC matters, a request for a hearing. The hearing shall be held before the judge hearing municipal ordinance or SMC matters. The written request shall state the grounds upon which the person requesting the hearing believes that the removal and custody of the vehicle is not justified.

2. Upon receipt of a request for a hearing under this section, the appropriate authority shall set a time for the hearing within 72 hours of the receipt of the request and shall provide notice of the hearing to the person requesting the hearing and to the owners of the vehicle and any lessors or security interest holders shown in the records of the Department of Transportation, if not the same as the person requesting the hearing. The 72-hour period in this subsection does not include holidays, Saturdays or Sundays.

3. At the hearing the owner may contest:

a. The validity of the action of the enforcement officer in taking the vehicle into custody.

4. The reasonableness of the charge set for towing and storage of vehicle. Towing, administrative fee, and storage charges set by ordinance or by

contract entered into pursuant to ordinance are presumed to be reasonable for the purpose of this section. The City shall have the burden of showing the validity of the taking of the vehicle.

5. If the judge hearing municipal ordinance or SMC matters finds that:

   a. The action of the city in taking the vehicle into custody was proper, the judge hearing municipal ordinance or SMC matters shall enter an order supporting the removal and may assess costs of the hearing against the person requesting the hearing.

   b. The action of the enforcement officer in taking the vehicle into custody was invalid, the judge shall:

      i. Order the vehicle released to the owner.

      ii. Find that the owner is not liable for any towing or storage charges occasioned by the taking.

      iii. Order the City to satisfy the towing and storage lien.

6. If the person requesting the hearing does not appear at the scheduled hearing, the judge hearing municipal ordinance or SMC matters may enter an order supporting the removal and assessment of towing and storage costs and apply any security posted against such costs.

7. The action of the judge hearing municipal ordinance or SMC matters pursuant to this section is final.

10.16.450 OWNER RECLAIMING VEHICLE

The legal owner, registered owner, or person entitled to possession of an unclaimed vehicle may reclaim such vehicle at the Stayton Police Department. The vehicle may be reclaimed after the vehicle is taken into custody, and before it is sold, upon presentation of satisfactory proof of ownership or right of possession, proof of insurance, a licensed driver to the Stayton Police

Department and payment of the administrative fee. Once the vehicle is released by satisfying the above requirements, the tow and storage fee shall be paid to the towing company who has custody of the vehicle by the person claiming the vehicle. If redemption is not made after the vehicle is impounded, such vehicle shall be disposed of in accordance with provisions of state laws.

10.16.460 APPRAISAL OF UNCLAIMED VEHICLES

Within ten (10) days of any motor vehicle coming into the custody of the City for any reason and stored on city property, the Chief of Police or designee, shall cause such vehicle to be appraised by a person possessing a valid appraiser certificate under state law. (Ord. 667, section 1[part], 1989)

10.16.470 DISPOSITION OF MOTOR VEHICLE

Vehicles that have been unclaimed may be disposed of in accordance with the procedures set by Oregon Revised Statues 819.210 to 819.260.

10.16.480 RESERVED

10.16.490 TO BE HELD AT EXPENSE OF OWNER

Except as provided in SMC Section 10.16.440(4), unclaimed motor vehicles which come into the custody, actual or constructive, of the City for any reason shall be held at the expense of the owner and any costs incurred by the city in finding, transportation, giving of notices, storage, care, administrative fee, and custody of such property shall be paid by the owner or other person lawfully entitled to possession thereof before such property may be released.

10.16.500 ADMINISTRATIVE TOW FEE

The Stayton Police Department charges as outlined in Fees and Charges Resolution, administrative fee for each vehicle impound. This fee reflects actual staff and administrative costs and is authorized under ORS 809.720(3)(c).
The fee is separate from towing and storage charges and will be reviewed annually for accuracy.

CITY OF STAYTON

M E M O R A N D U M

TO: **Mayor Brian Quigley and the Stayton City Council**

FROM: **James Brand, Finance Director**

DATE: **July 6, 2026**

SUBJECT: **Resolution No. 26-020, Authority to Undertake Projects and Designate Loan Signer**

ISSUE

Shall the Council authorize City Manager, Julia Hajduk, to sign two Department of Environmental Quality (DEQ) Clean Water State Revolving Fund (CWSRF) loans?

ENCLOSURE(S)

- Wastewater Collection System Capital Improvement Plan (CIP)
- Resolution No. 26-020 with exhibits

STAFF RECOMMENDATION

Staff recommends approval of Resolution No. 26-020 as presented.

BACKGROUND INFORMATION

Sanitary sewer upgrades are needed to allow further growth to occur in the City and to improve existing functions. Some projects have recently received funding through state and federal grant programs, however there remained projects that are necessary that are not currently funded. In 2023, the City began discussions with Business Oregon (in a OneStop meeting) to search out funding options and the best funding option available was offered by the Department of Environmental Quality (DEQ) Clean Water State Revolving Fund (CWSRF).

There are two projects the City is now prepared to fund with CWSRF loans. Both projects are included in the City's master plans and $2.1m is included in the 2025-27 budget for them.

One loan in the amount of $800,000 for the design of Wastewater Collection System Capacity Improvements. The other loan is in the amount of $500,000 for the design of the Gardner Street Pump Station Displacement. Two additional loans are anticipated in the near future for the construction of each project. The projects will result in approximately 4,890 linear feet of new wastewater pipes. We will also be able to retire an equivalent length of existing pipe which will reduce the amount of Inflow and Infiltration. The retired pipes were originally put into use in1962. Original project proposals included crossing the Salem ditch twice, but engineering efforts were made to reduce the crossing to just once which will reduce the environment impact and save funds. Construction is anticipated to begin in 2027.

Both loans are available with a 3.14% interest rate and a 30-year term. The DEQ also offers principal forgiveness of up to 50% of the loan amount up to $2,000,000 per project per fiscal year. This funding incentive is available this fiscal year and may not be available in future years. Staff and DEQ intend to package the funding of the projects to achieve the maximum available forgiveness. Prepayment of principal is allowed (with no penalties).

This resolution will also designate City Manager, Julia Hajduk, to have the authority to sign the loan documents.

FISCAL IMPACT

This resolution will add $1,300,000 in debt to the City, however, $650,000 is expected to be forgiven as part of the DEQ loan structure. The loans have a payback period of 30 years and the asset infrastructure to be added is expected to have a useful life of approximately 75 years. We anticipate the total of design and construction costs for the two projects to total $5,200,000 with up to half of that forgiven but the forgiveness will depend on funding availability and the timing of the construction loans. The City believes this funding opportunity including principal forgiveness and low-interest rate loans is a wise use of City funds, and it is needed for necessary sanitary sewer collection system upgrades.

OPTIONS

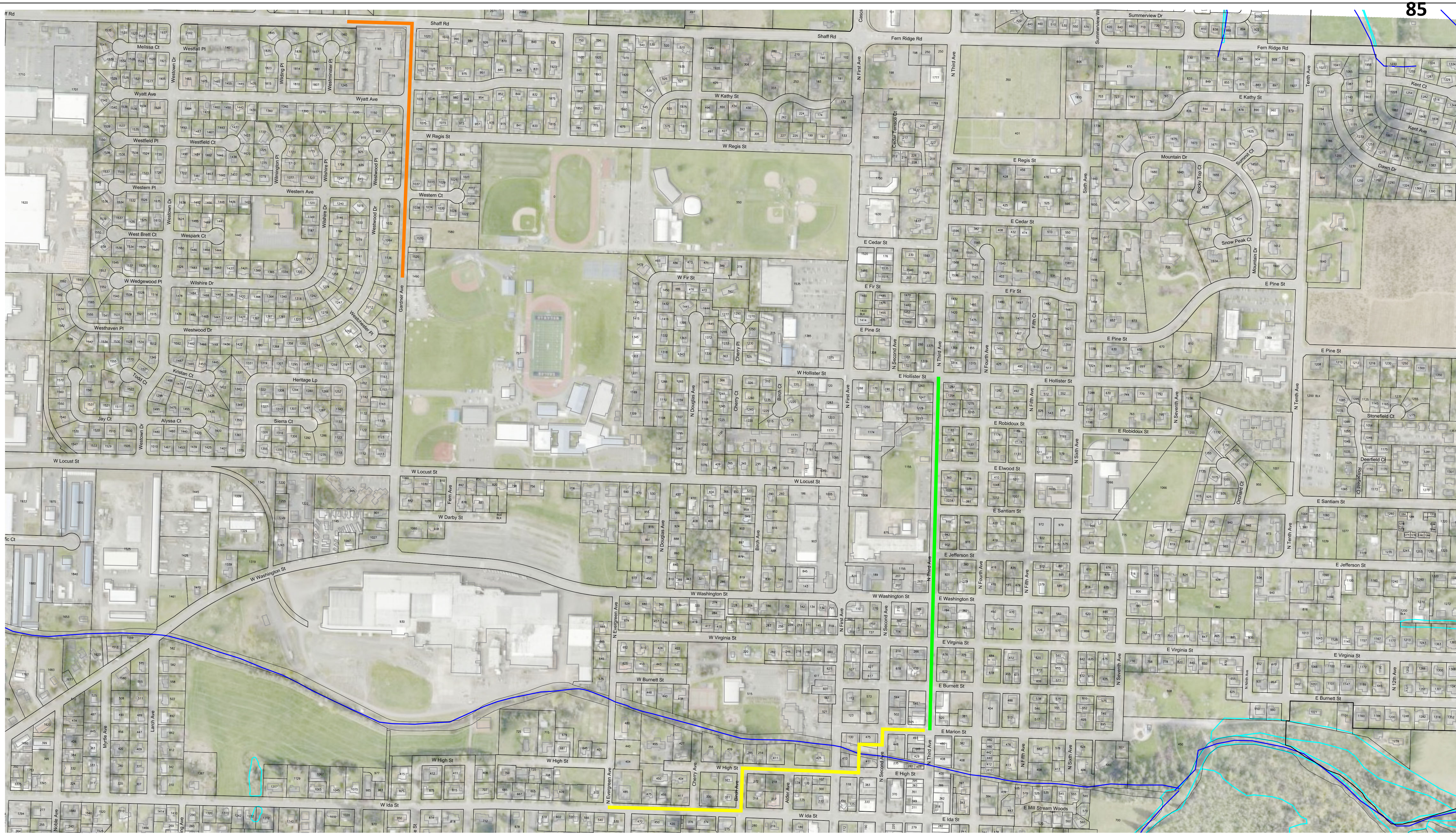
1. Adopt the Resolution as presented.

2. Amend and adopt a resolution granting authority to undertake projects and designate loan signer.

3. Do not adopt the resolution.

MOTION

Offer a motion to approve Resolution No. 26-020, Authority To Undertake Projects and Designate Signer *(either as presented or as further specifically amended).*



N

PLAN

N.T.S.

LEGEND

PRIORITY 2.2

PRIORITY 2.3

PRIORITY 2.4

CITY OF STAYTON

DEPT OF PUBLIC WORKS

DRAWING NAME:

WASTEWATER COLLECTION SYSTEM CAPITAL IMPROVEMENT PLAN (CIP)

NOTE: All data and information obtainded by Public Works Enginering Department and Records is obtained from various sources and maps. All data is approximate. Contractor to field varify.

DATE: JUNE 2026

RESOLUTION NO. 26-020
AUTHORITY TO UNDERTAKE PROJECTS AND DESIGNATE LOAN SIGNER

WHEREAS the City of Stayton, in Marion County, has submitted two design loan applications to the Oregon Department of Environmental Quality Clean Water State Revolving Fund (CWSRF); and,

WHEREAS; DEQ has issued Loan Agreement No. RC0053 in the amount of $500,000 for the project design for Gardner Street Pump Station Displacement; and

WHEREAS; DEQ has issued Loan Agreement No. RC0054 in the amount of $800,000 for the project design for Wastewater Collection System Capacity Improvements; and

WHEREAS; it is anticipated that up to 50% of each loan may be forgiven upon successful completion of the project; and

WHEREAS; authority for signing the loan documents is to be set in Resolution form by the Stayton City Council.

NOW THEREFORE, THE CITY OF STAYTON RESOLVES:

SECTION 1. The City of Stayton is authorized to undertake Loan Agreement No. RC0053 (Exhibit A) and No. RC0054 (Exhibit B) and that the City Manager, Julia Hajduk, is authorized and directed to negotiate the final amount, terms, and conditions of the loan documents; to execute and deliver the final loan documents and to perform any other necessary or appropriate acts to obtain the loan.

SECTION 2. Resolution No. 26-011, Designating Signer for DEQ Loan is repealed in its entirety.

This Resolution shall become effective upon its adoption by the Stayton City Council.

ADOPTED BY THE STAYTON CITY COUNCIL THIS 6TH DAY OF JULY 2026.

CITY OF STAYTON

Signed:_____________, 2026 BY: ________________________________
Brian Quigley, Mayor

Signed:_____________, 2026 ATTEST: ________________________________
Julia Hajduk, City Manager

EXHIBIT A

CLEAN WATER STATE REVOLVING FUND LOAN AGREEMENT
NO. RC0053

BETWEEN

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

AND

CITY OF STAYTON

TABLE OF CONTENTS

ARTICLE 1: THE LOAN - SPECIFIC TERMS 3
ARTICLE 2: GENERAL LOAN PROVISIONS 4
ARTICLE 3: GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS....................7
ARTICLE 4: CONDITIONS TO LOAN 8
ARTICLE 5: COVENANTS OF BORROWER....................10
ARTICLE 6: REPRESENTATIONS, WARRANTIES, COVENANTS AND CONDITIONS RELATINGTO CONSTRUCTION PROJECTS ONLY 15
ARTICLE 7: DISCLAIMERS BY DEQ; LIMITATIONS ON DEQ'S LIABILITY....................18
ARTICLE 8: DEFAULT AND REMEDIES 19
ARTICLE 9: DEFINITIONS 20
ARTICLE 10: MISCELLANEOUS 22

APPENDIX A: REPAYMENT SCHEDULE 27
APPENDIX B: ESTIMATED CWSRF LOAN DISBURSEMENT SCHEDULE....................28
APPENDIX C: DBE GOOD FAITH EFFORTS 29
APPENDIX D: APPLICABLE FEDERAL AUTHORITIES AND LAWS ("CROSS-CUTTERS") 30
APPENDIX E: DAVIS-BACON PROVISION 31
APPENDIX F: EQUAL EMPLOYMENT OPPORTUNITY 40
APPENDIX G: CERTIFICATION REGARDING LOBBYING 41
APPENDIX H: AMERICAN IRON AND STEEL ("AIS") REQUIREMENT 42

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. RC0053.

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 Stayton

(B) **BORROWER'S ADDRESS:** 362 Third Avenue
Stayton, Oregon 97383

(C) **LOAN AMOUNT:** $500,000

(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:** Gardner Street Pump Station Displacement

(F) **DESCRIPTION OF THE PROJECT:** This loan will fund the design phase of the Project. The gravity mains near the Gardner Pump Station are at capacity. The Project will reroute wastewater flow and install new gravity pipe on N. Gardner Ave. The Gardner Pump Station will be decommissioned.

(G) **INTEREST RATE:** Three and 14/100 (3.14%) 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) 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.

(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.

(L) **LOAN FORGIVENESS:** If the Borrower completes the Project, and provided there is no default of any of the terms hereof, DEQ shall forgive fifty percent (50%) of the Loan or $250,000, whichever is less (the portion of the Loan that is forgiven being referred to as the "Forgivable Loan"), on the date the first repayment is due hereunder. The amount of the Loan forgiveness will be determined when the Final Loan Amount is calculated.

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 the Project Completion Date set forth in ARTICLE 3(A)(10).

(C) **DISBURSEMENT OF LOAN PROCEEDS.**

(1) <u>Project Account(s)</u>. 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 (10^{th}) 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(4)) 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 July 31, 2028. The Borrower agrees to complete the Project by the estimated Completion Date.

(11) The estimated total Costs of the Project are $5,000,000.

(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 July 31, 2026, 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:

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

(b) 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 $6,611. 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 expending federal funds in excess of $1,000,000 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 $1,000,000 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. The Borrower and its prime contractor(s) must comply with the Six Good Faith Efforts provided in 40 C.F.R. § 33.301 (set forth in APPENDIX C) and the recordkeeping requirements provided in 40 C.F.R. § 33.501. Borrower must submit documentation of Borrower and prime contractor(s)'s compliance with 40 C.F.R. §§ 33.301 and 33.501 to DEQ upon request.

Pursuant to 40 CFR part 33, Appendix A, 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, all applicable requirements of 40 CFR § 33.302 (the exact language may vary), including:

(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 contractor must employ the Six Good Faith Efforts as described in 40 C.F.R. § 33.301 for soliciting and replacing subcontractors; and provide documentation of these efforts to the Borrower.

(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 dollars ($0.00).

(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) <u>Construction Manual</u>. 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) <u>Plans and Specifications</u>. 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) <u>Change Orders</u>. 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) <u>Inspections; Reports</u>. 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) <u>Asbestos and Other Hazardous Materials</u>. 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 first day of Operation (as that term is defined in OAR 340-054-0010(26)) ("Initiation of Operation"), 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) Prevailing Wage Requirements

(a) Borrower shall comply with state prevailing wage law as set forth in ORS 279C.800 through 279C.870, and the administrative rules promulgated thereunder (OAR Chapter 839, Division 25) (collectively, state "PWR"). This includes but is not limited to imposing an obligation that when PWR applies to the Project, contractors and subcontractors on the Project must pay the prevailing rate of wage for workers in each trade or occupation in each locality as determined by the Commissioner of the Bureau of Labor and Industries ("BOLI") under ORS 279C.815.

(b) When the federal Davis-Bacon Act applies to the Project, contractors and subcontractors on the Project must pay the prevailing rate of wage as determined by the United States Secretary of Labor under the Davis-Bacon Act (40 U.S.C. 3141 *et seq*.). 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.

(c) Notwithstanding (a) and (b) above, when both PWR and the federal Davis-Bacon Act apply to the Project, contractors and subcontractors on the Project must pay a rate of wage that meets or exceeds the greater of the rate provided in (a) or (b) above.

(d) When PWR applies, Borrower and its contractors and subcontractors shall not contract with any contractor on BOLI's current List of Contractors Ineligible to Receive Public Works Contracts.

(e) When PWR applies, Borrower shall be responsible for both providing the notice to the BOLI Commissioner required by ORS 279C.835 and the payment of any prevailing wage fee(s) required under ORS 279C.825 and BOLI's rules, including OAR 839-025-0200 to OAR 839-025-0230. For avoidance of any doubt, Borrower contractually agrees to pay applicable prevailing wage fees for the Project rather than DEQ, the public agency providing Financing Proceeds under this Loan Agreement.

(f) Pursuant to ORS 279C.817, Borrower and any contractors or subcontractors may request that the BOLI Commissioner make a determination about whether the Project is a public works on which payment of the prevailing rate of wage is required under ORS 279C.840 (i.e. whether PWR applies).

These laws, rules, regulations and orders are incorporated by reference in this Contract to the extent required by law.

(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.

(4) 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.

(5) 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.

(6) 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.

(7) 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 that 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) A "land use decision" (as that term is defined by ORS 197.015), a LUCS (as that term is defined under Oregon Administrative Rules Chapter 340, Division 18) or any other permit or approval of any kind that is necessary for the Borrower to either complete the Project or operate the Project is denied, revoked, rescinded or otherwise terminated at any time during the Repayment Period identified in Article 1(H) (in each case, a "Permit Revocation"); or

(7) 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 (6) 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 or agencies (as defined in ORS 468.423(4)) 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 thirty (30) 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 STAYTON

By: ____ ________________________
Authorized Officer Date

Typed Name: _____________________________________
Title: ____

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

By: ____ ________________________
Jennifer Wigal, Administrator Date
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 Stay	INTEREST RATE:	3.14%
SRF LOAN NO.:	RC0053	TERM IN YEARS:	30
LOAN AMOUNT:	$ 500,000	PAYMENT AMOUNT:	$ 6,529
		ANNUAL FEE:	0.50%

Due Date	Pmt#	PAYMENT Principal	Interest	Fees	Total	Principal Balance
						250,000
3/1/2029	1	0	11,418	0	11,418	250,000
9/1/2029	2	2,604	3,925	1,250	7,779	247,396
3/1/2030	3	2,645	3,884	0	6,529	244,751
9/1/2030	4	2,686	3,843	1,224	7,753	242,065
3/1/2031	5	2,729	3,800	0	6,529	239,336
9/1/2031	6	2,771	3,758	1,197	7,726	236,565
3/1/2032	7	2,815	3,714	0	6,529	233,750
9/1/2032	8	2,859	3,670	1,169	7,698	230,891
3/1/2033	9	2,904	3,625	0	6,529	227,987
9/1/2033	10	2,950	3,579	1,140	7,669	225,037
3/1/2034	11	2,996	3,533	0	6,529	222,041
9/1/2034	12	3,043	3,486	1,110	7,639	218,998
3/1/2035	13	3,091	3,438	0	6,529	215,907
9/1/2035	14	3,139	3,390	1,080	7,609	212,768
3/1/2036	15	3,189	3,340	0	6,529	209,579
9/1/2036	16	3,239	3,290	1,048	7,577	206,340
3/1/2037	17	3,289	3,240	0	6,529	203,051
9/1/2037	18	3,341	3,188	1,015	7,544	199,710
3/1/2038	19	3,394	3,135	0	6,529	196,316
9/1/2038	20	3,447	3,082	982	7,511	192,869
3/1/2039	21	3,501	3,028	0	6,529	189,368
9/1/2039	22	3,556	2,973	947	7,476	185,812
3/1/2040	23	3,612	2,917	0	6,529	182,200
9/1/2040	24	3,668	2,861	911	7,440	178,532
3/1/2041	25	3,726	2,803	0	6,529	174,806
9/1/2041	26	3,785	2,744	874	7,403	171,021
3/1/2042	27	3,844	2,685	0	6,529	167,177
9/1/2042	28	3,904	2,625	836	7,365	163,273
3/1/2043	29	3,966	2,563	0	6,529	159,307
9/1/2043	30	4,028	2,501	797	7,326	155,279
3/1/2044	31	4,091	2,438	0	6,529	151,188
9/1/2044	32	4,155	2,374	756	7,285	147,033
3/1/2045	33	4,221	2,308	0	6,529	142,812
9/1/2045	34	4,287	2,242	714	7,243	138,525
3/1/2046	35	4,354	2,175	0	6,529	134,171
9/1/2046	36	4,423	2,106	671	7,200	129,748
3/1/2047	37	4,492	2,037	0	6,529	125,256
9/1/2047	38	4,562	1,967	626	7,155	120,694
3/1/2048	39	4,634	1,895	0	6,529	116,060
9/1/2048	40	4,707	1,822	580	7,109	111,353
3/1/2049	41	4,781	1,748	0	6,529	106,572
9/1/2049	42	4,856	1,673	533	7,062	101,716
3/1/2050	43	4,932	1,597	0	6,529	96,784
9/1/2050	44	5,009	1,520	484	7,013	91,775
3/1/2051	45	5,088	1,441	0	6,529	86,687
9/1/2051	46	5,168	1,361	433	6,962	81,519
3/1/2052	47	5,249	1,280	0	6,529	76,270
9/1/2052	48	5,332	1,197	381	6,910	70,938
3/1/2053	49	5,415	1,114	0	6,529	65,523
9/1/2053	50	5,500	1,029	328	6,857	60,023
3/1/2054	51	5,587	942	0	6,529	54,436
9/1/2054	52	5,674	855	272	6,801	48,762
3/1/2055	53	5,763	766	0	6,529	42,999
9/1/2055	54	5,854	675	215	6,744	37,145
3/1/2056	55	5,946	583	0	6,529	31,199
9/1/2056	56	6,039	490	156	6,685	25,160
3/1/2057	57	6,134	395	0	6,529	19,026
9/1/2057	58	6,230	299	95	6,624	12,796
3/1/2058	59	6,328	201	0	6,529	6,468
9/1/2058	60	6,468	102	32	6,602	0
TOTALS		250,000	146,670	21,856	418,526	
REQUIRED LOAN RESERVE:		**$**	**6,611**			

APPENDIX B: *ESTIMATED* CWSRF LOAN DISBURSEMENT SCHEDULE

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

Borrower:		City of Stay					
Loan #:		RC0053					
Int. Rate:		3.14%					
1st Pmt:		3/1/2029					
Disb.	**Paid/**	**Gross Disb.**	**Principal Forg.**	**Net Amount**	**Disb.**	**Total #**	**Interest**
Number	**Estimate**	**Amount**	**Applied**	**Disbursed**	**Date**	**of Days**	**Amount**
1	Estimate	$ 50,000	$ 25,000	$ 25,000	8/1/2026	943	2,025.95
2	Estimate	$ 50,000	$ 25,000	$ 25,000	11/1/2026	851	1,828.08
3	Estimate	$ 50,000	$ 25,000	$ 25,000	2/1/2027	759	1,630.22
4	Estimate	$ 50,000	$ 25,000	$ 25,000	5/1/2027	670	1,438.81
5	Estimate	$ 50,000	$ 25,000	$ 25,000	8/1/2027	578	1,240.95
6	Estimate	$ 50,000	$ 25,000	$ 25,000	11/1/2027	486	1,043.08
7	Estimate	$ 50,000	$ 25,000	$ 25,000	2/1/2028	394	845.41
8	Estimate	$ 50,000	$ 25,000	$ 25,000	5/1/2028	304	652.37
9	Estimate	$ 50,000	$ 25,000	$ 25,000	8/1/2028	212	455.05
10	Estimate	$ 50,000	$ 25,000	$ 25,000	11/1/2028	120	257.73
TOTAL:		**$ 500,000**	**$ 250,000**	**$ 250,000**			**11,417.65**

APPENDIX C: DBE GOOD FAITH EFFORTS

At a minimum the Borrower or its prime contractor must make good faith efforts whenever procuring construction, equipment, services and supplies by complying with the six steps outlined in 40 CFR Section 33.301. The six steps are:

(a) Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.

(b) Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.

(c) Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.

(d) Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.

(e) Use the services and assistance of the SBA and the Minority Business Development Agency of the Department of Commerce.

(f) If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (a) through (e) of this section.
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: https://www.epa.gov/aboutepa/about-office-small-and-disadvantaged-business-utilization-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: https://www.oregon.gov/biz/programs/cobid/mbe-wbe/pages/default.aspx

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).
.

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 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 by 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.

(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/.

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 comply with all applicable requirements of the Civil Rights Act of 1964, as amended, including without limitation all applicable provisions and requirements of Title VI and Title VII. The contractor will ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin and that the contractor's employment actions do not have a disproportionate, adverse effect on a protected group in violation of Title VII. 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, such notices as may be required by the Equal Employment Opportunity Commission setting forth the rights of employees and/or applicants.

(2) The contractor will ensure in its hiring that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin and may include a statement to that effect in the solicitations or advertisements for employees placed by or on behalf of the contractor.

(3) The contractor will comply with all applicable provisions of the Civil Rights Act of 1964, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor, United States Department of Justice, and the Equal Employment Opportunity Commission, to the extent applicable.

(4) 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 such other sanctions may be imposed and remedies invoked by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

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 City of Stayton ("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 Contactor 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

CLEAN WATER STATE REVOLVING FUND LOAN AGREEMENT
NO. RC0054

BETWEEN

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

AND

CITY OF STAYTON

TABLE OF CONTENTS

ARTICLE 1: THE LOAN - SPECIFIC TERMS 3
ARTICLE 2: GENERAL LOAN PROVISIONS 4
ARTICLE 3: GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS....................7
ARTICLE 4: CONDITIONS TO LOAN 8
ARTICLE 5: COVENANTS OF BORROWER....................10
ARTICLE 6: REPRESENTATIONS, WARRANTIES, COVENANTS AND CONDITIONS RELATINGTO CONSTRUCTION PROJECTS ONLY 15
ARTICLE 7: DISCLAIMERS BY DEQ; LIMITATIONS ON DEQ'S LIABILITY....................18
ARTICLE 8: DEFAULT AND REMEDIES 19
ARTICLE 9: DEFINITIONS 20
ARTICLE 10: MISCELLANEOUS 22

APPENDIX A: REPAYMENT SCHEDULE 27
APPENDIX B: ESTIMATED CWSRF LOAN DISBURSEMENT SCHEDULE....................28
APPENDIX C: DBE GOOD FAITH EFFORTS 29
APPENDIX D: APPLICABLE FEDERAL AUTHORITIES AND LAWS ("CROSS-CUTTERS") 30
APPENDIX E: DAVIS-BACON PROVISION 31
APPENDIX F: EQUAL EMPLOYMENT OPPORTUNITY 40
APPENDIX G: CERTIFICATION REGARDING LOBBYING 41
APPENDIX H: AMERICAN IRON AND STEEL ("AIS") REQUIREMENT 42

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. RC0054.

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 Stayton

(B) **BORROWER'S ADDRESS:** 362 Third Avenue
Stayton, Oregon 97383

(C) **LOAN AMOUNT:** $800,000

(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:** Wastewater Collection System Capacity Improvements

(F) **DESCRIPTION OF THE PROJECT:** This loan will fund the design phase of the Project. The Project includes: replacement of undersized pipes on Evergreen and W Ida street, upsizing gravity main along these road segments, and installing approximately 2,720 linear feet of 15-inch pipe on Evergreen and approximately 2,780 linear feet of 18-inch pipe on West Ida Street.

(G) **INTEREST RATE:** Three and 14/100 (3.14%) 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) 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.

(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.

(L) **LOAN FORGIVENESS:** If the Borrower completes the Project, and provided there is no default of any of the terms hereof, DEQ shall forgive fifty percent (50%) of the Loan or $400,000, whichever is less (the portion of the Loan that is forgiven being referred to as the “Forgivable Loan”), on the date the first repayment is due hereunder. The amount of the Loan forgiveness will be determined when the Final Loan Amount is calculated.

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 the Project Completion Date set forth in ARTICLE 3(A)(10).

(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 (10^{th}) 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(4)) 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 July 31, 2028. The Borrower agrees to complete the Project by the estimated Completion Date.

(11) The estimated total Costs of the Project are $4,000,000.

(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 July 31, 2026, 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:

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

(b) 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 $10,578. 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 expending federal funds in excess of $1,000,000 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 $1,000,000 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.** The Borrower and its prime contractor(s) must comply with the Six Good Faith Efforts provided in 40 C.F.R. § 33.301 (set forth in APPENDIX C) and the recordkeeping requirements provided in 40 C.F.R. § 33.501. Borrower must submit documentation of Borrower and prime contractor(s)'s compliance with 40 C.F.R. §§ 33.301 and 33.501 to DEQ upon request.

Pursuant to 40 CFR part 33, Appendix A, 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, all applicable requirements of 40 CFR § 33.302 (the exact language may vary), including:

(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 contractor must employ the Six Good Faith Efforts as described in 40 C.F.R. § 33.301 for soliciting and replacing subcontractors; and provide documentation of these efforts to the Borrower.

(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 twenty-five thousand dollars ($25,000).

(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 first day of Operation (as that term is defined in OAR 340-054-0010(26)) ("Initiation of Operation"), 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) Prevailing Wage Requirements

(a) Borrower shall comply with state prevailing wage law as set forth in ORS 279C.800 through 279C.870, and the administrative rules promulgated thereunder (OAR Chapter 839, Division 25) (collectively, state "PWR"). This includes but is not limited to imposing an obligation that when PWR applies to the Project, contractors and subcontractors on the Project must pay the prevailing rate of wage for workers in each trade or occupation in each locality as determined by the Commissioner of the Bureau of Labor and Industries ("BOLI") under ORS 279C.815.

(b) When the federal Davis-Bacon Act applies to the Project, contractors and subcontractors on the Project must pay the prevailing rate of wage as determined by the United States Secretary of Labor under the Davis-Bacon Act (40 U.S.C. 3141 *et seq*.). 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.

(c) Notwithstanding (a) and (b) above, when both PWR and the federal Davis-Bacon Act apply to the Project, contractors and subcontractors on the Project must pay a rate of wage that meets or exceeds the greater of the rate provided in (a) or (b) above.

(d) When PWR applies, Borrower and its contractors and subcontractors shall not contract with any contractor on BOLI's current List of Contractors Ineligible to Receive Public Works Contracts.

(e) When PWR applies, Borrower shall be responsible for both providing the notice to the BOLI Commissioner required by ORS 279C.835 and the payment of any prevailing wage fee(s) required under ORS 279C.825 and BOLI's rules, including OAR 839-025-0200 to OAR 839-025-0230. For avoidance of any doubt, Borrower contractually agrees to pay applicable prevailing wage fees for the Project rather than DEQ, the public agency providing Financing Proceeds under this Loan Agreement.

(f) Pursuant to ORS 279C.817, Borrower and any contractors or subcontractors may request that the BOLI Commissioner make a determination about whether the Project is a public works on which payment of the prevailing rate of wage is required under ORS 279C.840 (i.e. whether PWR applies).

These laws, rules, regulations and orders are incorporated by reference in this Contract to the extent required by law.

(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.

(4) 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.

(5) 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.

(6) 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.

(7) 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 that 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) A "land use decision" (as that term is defined by ORS 197.015), a LUCS (as that term is defined under Oregon Administrative Rules Chapter 340, Division 18) or any other permit or approval of any kind that is necessary for the Borrower to either complete the Project or operate the Project is denied, revoked, rescinded or otherwise terminated at any time during the Repayment Period identified in Article 1(H) (in each case, a "Permit Revocation"); or

(7) 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 (6) 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 or agencies (as defined in ORS 468.423(4)) 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 thirty (30) 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 STAYTON

By: ____ _________________________

Authorized Officer Date

Typed Name: _______________________________________

Title: ____

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

By: ____ _________________________

Jennifer Wigal, Administrator Date

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 Stay	INTEREST RATE:	3.14%
SRF LOAN NO.:	RC0054	TERM IN YEARS:	30
LOAN AMOUNT:	$ 800,000	PAYMENT AMOUNT:	$ 10,447
		ANNUAL FEE:	0.50%

Due Date	Pmt#	PAYMENT Principal	Interest	Fees	Total	Principal Balance
						400,000
3/1/2029	1	0	18,268	0	18,268	400,000
9/1/2029	2	4,167	6,280	2,000	12,447	395,833
3/1/2030	3	4,232	6,215	0	10,447	391,601
9/1/2030	4	4,299	6,148	1,958	12,405	387,302
3/1/2031	5	4,366	6,081	0	10,447	382,936
9/1/2031	6	4,435	6,012	1,915	12,362	378,501
3/1/2032	7	4,505	5,942	0	10,447	373,996
9/1/2032	8	4,575	5,872	1,870	12,317	369,421
3/1/2033	9	4,647	5,800	0	10,447	364,774
9/1/2033	10	4,720	5,727	1,824	12,271	360,054
3/1/2034	11	4,794	5,653	0	10,447	355,260
9/1/2034	12	4,869	5,578	1,776	12,223	350,391
3/1/2035	13	4,946	5,501	0	10,447	345,445
9/1/2035	14	5,024	5,423	1,727	12,174	340,421
3/1/2036	15	5,102	5,345	0	10,447	335,319
9/1/2036	16	5,182	5,265	1,677	12,124	330,137
3/1/2037	17	5,264	5,183	0	10,447	324,873
9/1/2037	18	5,346	5,101	1,624	12,071	319,527
3/1/2038	19	5,430	5,017	0	10,447	314,097
9/1/2038	20	5,516	4,931	1,570	12,017	308,581
3/1/2039	21	5,602	4,845	0	10,447	302,979
9/1/2039	22	5,690	4,757	1,515	11,962	297,289
3/1/2040	23	5,780	4,667	0	10,447	291,509
9/1/2040	24	5,870	4,577	1,458	11,905	285,639
3/1/2041	25	5,962	4,485	0	10,447	279,677
9/1/2041	26	6,056	4,391	1,398	11,845	273,621
3/1/2042	27	6,151	4,296	0	10,447	267,470
9/1/2042	28	6,248	4,199	1,337	11,784	261,222
3/1/2043	29	6,346	4,101	0	10,447	254,876
9/1/2043	30	6,445	4,002	1,274	11,721	248,431
3/1/2044	31	6,547	3,900	0	10,447	241,884
9/1/2044	32	6,649	3,798	1,209	11,656	235,235
3/1/2045	33	6,754	3,693	0	10,447	228,481
9/1/2045	34	6,860	3,587	1,142	11,589	221,621
3/1/2046	35	6,968	3,479	0	10,447	214,653
9/1/2046	36	7,077	3,370	1,073	11,520	207,576
3/1/2047	37	7,188	3,259	0	10,447	200,388
9/1/2047	38	7,301	3,146	1,002	11,449	193,087
3/1/2048	39	7,416	3,031	0	10,447	185,671
9/1/2048	40	7,532	2,915	928	11,375	178,139
3/1/2049	41	7,650	2,797	0	10,447	170,489
9/1/2049	42	7,770	2,677	852	11,299	162,719
3/1/2050	43	7,892	2,555	0	10,447	154,827
9/1/2050	44	8,016	2,431	774	11,221	146,811
3/1/2051	45	8,142	2,305	0	10,447	138,669
9/1/2051	46	8,270	2,177	693	11,140	130,399
3/1/2052	47	8,400	2,047	0	10,447	121,999
9/1/2052	48	8,532	1,915	610	11,057	113,467
3/1/2053	49	8,666	1,781	0	10,447	104,801
9/1/2053	50	8,802	1,645	524	10,971	95,999
3/1/2054	51	8,940	1,507	0	10,447	87,059
9/1/2054	52	9,080	1,367	435	10,882	77,979
3/1/2055	53	9,223	1,224	0	10,447	68,756
9/1/2055	54	9,368	1,079	344	10,791	59,388
3/1/2056	55	9,515	932	0	10,447	49,873
9/1/2056	56	9,664	783	249	10,696	40,209
3/1/2057	57	9,816	631	0	10,447	30,393
9/1/2057	58	9,970	477	152	10,599	20,423
3/1/2058	59	10,126	321	0	10,447	10,297
9/1/2058	60	10,297	162	51	10,510	0
TOTALS		400,000	234,653	34,961	669,614	

REQUIRED LOAN RESERVE: $ 10,578

APPENDIX B: *ESTIMATED* CWSRF LOAN DISBURSEMENT SCHEDULE

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

Borrower:		City of Stay					
Loan #:		RC0054					
Int. Rate:		3.14%					
1st Pmt:		3/1/2029					
Disb. Number	**Paid/ Estimate**	**Gross Disb. Amount**	**Principal Forg. Applied**	**Net Amount Disbursed**	**Disb. Date**	**Total # of Days**	**Interest Amount**
1	Estimate	$ 80,000	$ 40,000	$ 40,000	8/1/2026	943	3,241.51
2	Estimate	$ 80,000	$ 40,000	$ 40,000	11/1/2026	851	2,924.93
3	Estimate	$ 80,000	$ 40,000	$ 40,000	2/1/2027	759	2,608.35
4	Estimate	$ 80,000	$ 40,000	$ 40,000	5/1/2027	670	2,302.09
5	Estimate	$ 80,000	$ 40,000	$ 40,000	8/1/2027	578	1,985.51
6	Estimate	$ 80,000	$ 40,000	$ 40,000	11/1/2027	486	1,668.93
7	Estimate	$ 80,000	$ 40,000	$ 40,000	2/1/2028	394	1,352.65
8	Estimate	$ 80,000	$ 40,000	$ 40,000	5/1/2028	304	1,043.80
9	Estimate	$ 80,000	$ 40,000	$ 40,000	8/1/2028	212	728.08
10	Estimate	$ 80,000	$ 40,000	$ 40,000	11/1/2028	120	412.37
TOTAL:		**$ 800,000**	**$ 400,000**	**$ 400,000**			**18,268.23**

APPENDIX C: DBE GOOD FAITH EFFORTS

At a minimum the Borrower or its prime contractor must make good faith efforts whenever procuring construction, equipment, services and supplies by complying with the six steps outlined in 40 CFR Section 33.301. The six steps are:

(a) Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.

(b) Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.

(c) Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.

(d) Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.

(e) Use the services and assistance of the SBA and the Minority Business Development Agency of the Department of Commerce.

(f) If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (a) through (e) of this section.
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: https://www.epa.gov/aboutepa/about-office-small-and-disadvantaged-business-utilization-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: https://www.oregon.gov/biz/programs/cobid/mbe-wbe/pages/default.aspx

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).
.

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 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 by 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.

<u>Part 2</u>

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.

(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/.

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 comply with all applicable requirements of the Civil Rights Act of 1964, as amended, including without limitation all applicable provisions and requirements of Title VI and Title VII. The contractor will ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin and that the contractor's employment actions do not have a disproportionate, adverse effect on a protected group in violation of Title VII. 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, such notices as may be required by the Equal Employment Opportunity Commission setting forth the rights of employees and/or applicants.

(2) The contractor will ensure in its hiring that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin and may include a statement to that effect in the solicitations or advertisements for employees placed by or on behalf of the contractor.

(3) The contractor will comply with all applicable provisions of the Civil Rights Act of 1964, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor, United States Department of Justice, and the Equal Employment Opportunity Commission, to the extent applicable.

(4) 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 such other sanctions may be imposed and remedies invoked by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

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 City of Stayton ("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 Contactor 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.