



DEPARTMENT OF
ECOLOGY
 State of Washington

**WASHINGTON STATE WATER POLLUTION CONTROL REVOLVING FUND
 LOAN AGREEMENT
 BETWEEN
 THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY
 AND
 PACIFIC COUNTY**

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**CENTENNIAL CLEAN WATER PROGRAM
AND
WASHINGTON STATE WATER POLLUTION CONTROL REVOLVING FUND
LOAN AGREEMENT
BETWEEN
THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY
AND
PACIFIC COUNTY
FOR
PACIFIC COUNTY ON-SITE FINANCIAL REPAIR PROGRAM**

THIS is a binding loan [LOAN] agreement entered into by and between the state of Washington Department of Ecology [DEPARTMENT] and Pacific County [RECIPIENT]. The purpose of this LOAN agreement is to provide funds to the RECIPIENT to carry out the activities for the project [PROJECT] described in this LOAN agreement.

This LOAN agreement consists of 12 pages and 8 attachments.

Capitalized terms used, but not otherwise defined, in this LOAN agreement are defined in ATTACHMENT 5.

PART I. GENERAL INFORMATION

PROJECT Title:	Pacific County On-Site Financial Repair Program
PROJECT Period:	Effective Date: Signature by Ecology Completion Date: June 30, 2015
LOAN Number(s):	L1200031
Standard Interest LOAN Amount:	\$500,000
Interest Rate:	2.6 percent
LOAN Term:	20 years
Forgivable Principal Amount:	\$0
Total LOAN Amount:	\$500,000
State Fiscal Year:	2012

RECIPIENT Information

RECIPIENT Name:	Pacific County
Mailing Address:	PO Box 68 South Bend, WA 98586

FEDERAL TAXPAYER ID NUMBER: **91-6001356**

Data Universal Numbering System (DUNS) Number: **084604016**

PROJECT Contact: **Faith Taylor-Eldred**
 PROJECT Manager: **Faith Taylor-Eldred**

Mailing Address: **PO Box 68**
South Bend, WA 98586

Email Address: **ftaylor@co.pacific.wa.us**
 Phone Number: **(360) 875-9356**
 Fax Number: **(360) 875-9304**

DEPARTMENT Project Contact Information

PROJECT Manager: **Melanie Tyler**
 Email Address: **melanie.tyler@ecy.wa.gov**
 Phone Number: **(360) 407-7489**
 Fax Number: **(360) 407-7151**
 Address

Address

<input type="checkbox"/> Northwest WA State Department of Ecology Northwest Regional Office 3190 160 th Ave SE Bellevue, WA 98008-5452 Fax (425) 649-7098	<input type="checkbox"/> Central WA State Department of Ecology Central Regional Office 15 West Yakima Ave, Suite 200 Yakima, WA 98902-3452 Fax (509) 575-2809
<input type="checkbox"/> Southwest WA State Department of Ecology Southwest Regional Office P.O. Box 47775 Olympia, WA 98504-7775 Fax (360) 407-6305	<input type="checkbox"/> Eastern WA State Department of Ecology Eastern Regional Office N. 4601 Monroe Spokane, WA 99205-1295 Fax (509) 329-3570
<input type="checkbox"/> Bellingham WA State Department of Ecology Bellingham Field Office 1440 10th Street, Suite 102 Bellingham, WA 98225 Fax (360) 715-5225	<input checked="" type="checkbox"/> Headquarters WA State Department of Ecology P.O. Box 47600 Olympia, WA 98504-7600 Fax (360) 407-7151

Financial Manager: **Melanie Tyler**
 Email Address: **melanie.tyler@ecy.wa.gov**

Phone Number:
Fax Number:
Address

(360) 407-7489
(360) 407-7151
WA State Department of Ecology
Water Quality Program, FMS
P.O. Box 47600
Olympia, WA 98504-7600

SRF Reporting Coordinator
Email Address

Brian Brada
Brian.Brada@ecy.wa.gov

Funding Source(s) for This LOAN agreement:

This LOAN agreement may be funded in part or in full with federal funds (Catalog of Federal Domestic Assistance Number 66.458) passed through to the RECIPIENT by the DEPARTMENT. As a "sub-recipient" of federal funds, OMB Circular A-133 contains certain requirements which may apply. Specifically, if the RECIPIENT or sub-recipient has expended a cumulative total (direct or pass through) of \$500,000 or more in federal awards in a fiscal year, an audit may be required in accordance with OMB Circular A-133. If federal funds have been used to reimburse eligible costs incurred for this PROJECT as part of this LOAN agreement, the DEPARTMENT's fiscal office will provide notification in January of each year that identifies the amount of federal funds that have been expended.

(Federal funding for this AGREEMENT is provided from Capitalization Grants and state match for Clean Water State Revolving Funds; Environmental Protection Agency, Office of Water.)

Specific Funding Categories:

Loan for Green Project Reserves	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Green Infrastructure Amount:\$	
Water Efficiency Amount: \$	
Energy Efficiency Amount: \$	
Innovative Amount: \$	
TOTAL Amount: \$	
Forgivable Principal Subsidy for Green Project Reserves	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Green Infrastructure Amount:\$	
Water Efficiency Amount: \$	
Energy Efficiency Amount: \$	
Innovative Amount: \$	
TOTAL Amount: \$	
Loan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Amount: \$500,000	
Forgivable Principal Subsidy	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Amount: \$	

State Centennial Loan Funds: Yes No \$

GENERAL LOAN INFORMATION:

Increased Oversight: Yes No

Useful life of the PROJECT: N/A

PROJECT TYPE: *Check all that apply*

Facilities Project: Yes No

Stormwater Project: Yes No

Green Project Reserves: Yes No

Activities Project: Yes No

LOAN SECURITY: *Check all that apply*

Does this LOAN agreement and the LOAN to be made constitute Revenue Secured Lien Obligation of the RECIPIENT? Yes No

Does this LOAN agreement and the LOAN to be made constitute a general obligation debt of the RECIPIENT or the state of Washington? Yes No

Does this LOAN agreement and the LOAN to be made constitute a valid general obligation of the RECIPIENT payable from special assessments? Yes No

Is this LOAN secured with dedicated revenue through a Tribal Governmental Enterprise?
 Yes No

IMPORTANT DATES:

Estimated Project Start Date: July 1, 2012

Initiation of Operation (IO): Yes No IO Date: N/A

Project Completion Date: June 30, 2015

Prior Authorization: Yes No If yes, Effective Date:

Interim Refinance: Yes No If yes, Effective Date:

Post Project Assessment Date (see Part IV and ATTACHMENT 4): June 30, 2018

LOAN agreement Effective Date:

The effective date of this LOAN agreement is the date this LOAN agreement is signed by the DEPARTMENT's Water Quality Program Manager. Any work performed prior to the effective date of this LOAN agreement, without written Prior Authorization or Interim Refinance approval from the

DEPARTMENT, will be at the sole expense and risk of the RECIPIENT.

PART II. PROJECT SUMMARY

The RECIPIENT will establish a financial assistance program to repair deficient (sub-optimal) and failed on-site septic systems (OSS). The program will reduce sewage contamination of surface and groundwater, will ensure that Pacific County’s shellfish industry is not impacted by contaminated waters, and will alleviate any public health issues from contaminated waters. The program will provide an incentive for landowners by helping to reduce the financial burden of on-site septic system repairs by providing low interest loans for low income households.

PART III. PROJECT BUDGET

Elements (Objects & Tasks)	Total PROJECT Cost	Total Eligible PROJECT Cost	LOAN AMOUNT
1. Project Administration/Management	\$0	\$0	\$0
2. Implementation of Loan Program	\$ 500,000	\$500,000	\$ 500,000
Total	\$ 500,000	\$500,000	*\$ 500,000

*The DEPARTMENT’S Fiscal Office will track to the total eligible LOAN amount. However, the RECIPIENT cannot deviate among elements without DEPARTMENT approval.

Other Funding Sources: Yes (if Yes, list sources and amounts) No

Federal

State

Local Funds

PART IV. GOALS, OUTCOMES, AND POST PROJECT ASSESSMENT

(see Important Dates in Part I and Post Project Assessment in Attachment 4)

A. Financial Assistance Water Quality Project Goals: One or more of the selected following goals apply to this project:

Severe Public Health Hazard or Public Health Emergency eliminated.

Designated beneficial uses will be restored or protected, 303(d)-Listed water bodies restored to water quality standards, and healthy waters prevented from being degraded.

Regulatory compliance with a consent decree, compliance orders, TMDL or waste load allocation achieved.

B. Water Quality Project Outcomes: The following are quantitative results anticipated from the project.

1. Repair or replacement of 25 failing on-site sewage systems.
2. Reduce pollutants discharging to surface and groundwaters that affect shellfish habitat.
3. Reduce fecal coliform bacteria and nutrient loading that have the potential to affect public health.

C. Does this PROJECT address a TMDL: Yes No

D. Environmental Mitigation: Yes No If Yes, list the environmental mitigation measures:

PART V. SCOPE OF WORK

Task 1 - Project Administration/Management

- A. The RECIPIENT will administer the project. Responsibilities will include, but not be limited to: maintenance of project records; submittal of payment vouchers, fiscal forms, progress reports, and the final report; compliance with applicable procurement, contracting, and interlocal agreement requirements; attainment of all required permits, licenses, easements, or property rights necessary for the project; and submittal of required performance items.
- B. The RECIPIENT will manage the project. Efforts will include: conducting, coordinating, and scheduling project activities and assuring quality control. Every effort will be made to maintain effective communication with the RECIPIENT's designees; the DEPARTMENT; all affected local, state, or federal jurisdictions; and any interested individuals or groups. The RECIPIENT will carry out this project in accordance with any completion dates outlined in this LOAN agreement.

Required Performance:

1. Effective administration and management of this project.
2. Timely submittal of all required performance items, progress reports, financial vouchers and the final project report.

Task 2 -Implementation of Loan Program

- A. The RECIPIENT will establish a county-wide, local On-site Sewage System Repair Loan Fund. The RECIPIENT will make loans to property owners to repair/replace failing on-site sewage systems throughout the county based on critical water quality and public health need. The RECIPIENT may give loan priority to financially distressed property owners.
- B. The RECIPIENT may provide loans to property owners to connect to an available sewer trunk line. Loans for connection to sewer must be consistent with the *SFY2012-2013 Water Quality Financial Assistance Guidelines*.
- C. The RECIPIENT will establish the administrative processes to verify sewage system failures and to receive and track all loan applications. The RECIPIENT will establish the approval process, the interest rate, and repayment period for all loans.

- D. The RECIPIENT will publicize the availability of loan funds through news releases, announcements to contractors, and other reasonable means.
- E. The RECIPIENT will track loan applications received, applications approved, and repairs completed using the Repair Fund.
- F. After the disbursement of all of the LOAN funds, the RECIPIENT will complete a final report to include tabulation of loans made by recipient income level. See Special Condition (C).

Required Performance:

- 1. Establishment of a county-wide On-site Sewage System Repair Fund.
- 2. Tracking of all loan applications.
- 3. Publicizing availability of loan funds through the Repair Fund.
- 4. Processing and tracking of loan fund applications.
- 5. Quarterly and final reporting.

PART V(a). SPECIAL TERMS AND CONDITIONS

- A. **Financial Capability.** The LOAN agreement constitutes a valid general obligation of the RECIPIENT payable from annual ad valorem taxes to be levied within the constitutional and statutory tax limitations provided by law without a vote of the electors of the RECIPIENT on all of the taxable property within the boundaries of the RECIPIENT. The DEPARTMENT will monitor the RECIPIENT’s financial capability to take on this LOAN until the final disbursement. By March 31st of each year, the RECIPIENT will submit to the DEPARTMENT a year-end financial statement showing, at a minimum, beginning and ending fund balances, revenues and expenditures for the previous year.
- B. **Small Commercial On-Site Sewage System Repair and Replacement.** On-site sewage system repair or replacement funding may be provided to eligible small commercial enterprises. The definition of “small commercial” requires that the average daily flows from any one single business cannot exceed 3,500 gallons per day. These enterprises may include public lodging (including motels, hotels, and bed and breakfast establishments), rentals (apartments, duplexes, or houses), small restaurants, stores, or taverns.
- C. **Final PROJECT blended interest rate.** The DEPARTMENT may adjust interest rates to below 2.6 percent based on evaluation of the RECIPIENT’s total portfolio of local on-site sewage system loans issued to homeowners and small commercial enterprises.

The following is the Revolving Fund interest rate schedule for loans targeted to homeowners at three levels of county median household income:

Revolving fund Adjustable Interest Rate Schedule	
County Median Household Income*	20-Year Term
Above 80%	2.6 %
50 – 80%	1.3 %
Below 50%	0.7 %

The following is the Revolving Fund interest rate schedule for loans targeted to small

commercial enterprises at three levels of annual gross revenue:

Revolving Fund Adjustable Interest Rate Schedule	
Small Commercial Enterprise Annual Gross Revenue	20-Year Term
Above \$100,000	2.6 %
\$50,000 - \$100,000	1.3 %
Below \$50,000	0.7 %

In order for a small commercial enterprise to be considered for extreme hardship, the business must provide documentation to substantiate that annual gross revenue is less than \$100,000.

The RECIPIENT agrees to submit a final compilation of the local loans provided to homeowners and small commercial enterprises throughout the duration of the PROJECT. The list will include information provided by the RECIPIENT regarding the number and final dollar amounts of loans funded in the following respective homeowner income and small commercial enterprise revenue levels:

- County Median Household Income
 - Above 80 %
 - 50 to 80 %
 - Below 50 %
- Small Commercial Enterprise Annual Gross Revenue
 - Above \$100,000
 - \$50,000 to \$100,000
 - Below \$50,000

C. Quarterly PROJECT Reporting Requirements. The RECIPIENT agrees to provide the following information in quarterly project reports:

- Latitude and Longitude of each on-site sewage system repair or replacement
- Components of the system repaired or replaced
- Components of the upgraded system
- Total dollar amount of individual projects
- Loan award distribution to homeowner
- Major changes in financial condition that may affect the ability of the RECIPIENT to repay the loan

PART VI. LOAN INTEREST RATE AND TERMS

Source and Availability; LOAN Amounts; LOAN Terms

This LOAN agreement will remain in effect until the date of final repayment of the LOAN, unless terminated earlier according to the provisions herein.

Subject to all of the terms, provisions, and conditions of this LOAN agreement, and subject to the availability of funds, the DEPARTMENT will loan to the RECIPIENT the sum of five hundred

thousand dollars (\$500,000).

When the PROJECT Completion Date has occurred, the DEPARTMENT and the RECIPIENT will execute an amendment to this LOAN agreement which details the final LOAN amount (Final LOAN Amount), and the DEPARTMENT will prepare a final LOAN repayment schedule, in the form of ATTACHMENT 8. The Final LOAN Amount will be the combined total of actual disbursements made on the LOAN and all accrued interest to the computation date.

The Estimated LOAN amount and the Final LOAN amount (in either case, as applicable, a "LOAN Amount") will bear interest at the rate of 2.6 percent per annum, calculated on the basis of a 365 day year. Interest on the Estimated LOAN Amount will accrue from and be compounded monthly based on the date that each payment is mailed to the RECIPIENT. The Final LOAN Amount will be repaid in equal installments semiannually over a term of 20 years, as provided in ATTACHMENT 8.

PART VII. ALL AGREEMENTS CONTAINED HEREIN

The RECIPIENT will ensure this PROJECT is completed according to the details of this LOAN agreement. The RECIPIENT may elect to use its own forces or it may contract for professional services necessary to perform and complete project-related work, if approved by the DEPARTMENT.

Webpage addresses may be provided throughout this LOAN agreement for your convenience, however, if any of these addresses do not work, it is the responsibility of the RECIPIENT to contact the DEPARTMENT for the updated webpage address or the necessary information.

The following contain the entire understanding between the parties, and there are no other understandings or representations other than as set forth, or incorporated by reference, herein:

- This LOAN agreement
- ATTACHMENT 1: Opinion of RECIPIENT's Legal Counsel
- ATTACHMENT 2: Authorizing Ordinance or Resolution
- ATTACHMENT 3: Preward Compliance Review Report for All Applicants Requesting Federal Assistance
- ATTACHMENT 4: General Project Management Requirements
- ATTACHMENT 5: Agreement Definitions
- ATTACHMENT 6: LOAN General Terms and Conditions (Pertaining to Grant and Loan Agreements) of the Department of Ecology
- ATTACHMENT 7: The Federal Funding Accountability and Transparency Act (FFATA) & The Clean Water State Revolving Fund Initial Data Reporting Sheet
- ATTACHMENT 8: Estimated LOAN Repayment Schedule
- The effective edition, at the signing of this LOAN agreement, of the DEPARTMENT's "*Administrative Requirements for Ecology Grants and Loans*"
- The associated funding guidelines that correspond to the Fiscal Year in which the project is funded
- The applicable statutes and regulations
- As a subrecipient of federal funds (Catalogue of Federal Domestic Assistance Number 66.458), the RECIPIENT must comply with the following federal regulations:
 - OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations
 - OMB Circular A-133, Compliance Supplement

OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments
OMB Circular A-102, Uniform Administrative Requirements

No changes, additions, or deletions to this LOAN agreement will be authorized without a formal written amendment, EXCEPT that in response to a request from the RECIPIENT, the DEPARTMENT may redistribute the loan budget. The DEPARTMENT or the RECIPIENT may change their respective staff contacts without the concurrence of either party.

By signing this LOAN agreement, the RECIPIENT acknowledges that opportunity to thoroughly review the terms of this LOAN agreement, the attachments, all incorporated or referenced documents, as well as all applicable statutes, rules, or guidelines mentioned in this LOAN agreement was given.

IN WITNESS WHEREOF, the DEPARTMENT and the RECIPIENT have executed this LOAN agreement as of the dates set forth below, to be effective as provided above.

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PACIFIC COUNTY
BOARD OF HEALTH

KELLY SUSEWIND, P.E., P.G. DATE
WATER QUALITY PROGRAM MANAGER

LISA AYERS DATE
CHAIR

APPROVED AS TO FORM ONLY
ASSISTANT ATTORNEY GENERAL

(October 29, 2009)

Boilerplate Update November 21, 2011

ATTACHMENT 1: OPINION OF RECIPIENT'S LEGAL COUNSEL

I am an attorney at law admitted to practice in the state of Washington and the duly appointed attorney of Pacific County [the RECIPIENT], and I have examined any and all documents and records pertinent to the LOAN agreement.

Based on the foregoing, it is my opinion that:

- A. The RECIPIENT is a duly organized and legally existing municipal corporation or political subdivision under the laws of the state of Washington or a federally recognized Indian tribe;
- B. The RECIPIENT has the power and authority to execute and deliver and to perform its obligations under the LOAN agreement;
- C. The LOAN agreement has been duly authorized and executed by RECIPIENT's authorized representatives and, to my best knowledge and after reasonable investigation, all other necessary actions have been taken to make the LOAN agreement valid, binding, and enforceable against the RECIPIENT in accordance with its terms, except as such enforcement is affected by bankruptcy, insolvency, moratorium, or other laws affecting creditors' rights and principles of equity if equitable remedies are sought;
- D. To my best knowledge and after reasonable investigation, the LOAN agreement does not violate any other agreement, statute, court order, or law to which the RECIPIENT is a party or by which it or its properties are bound;
- E. There is currently no litigation seeking to enjoin the commencement or completion of the PROJECT or to enjoin the RECIPIENT from entering into the LOAN agreement or from accepting or repaying the LOAN. The RECIPIENT is not a party to litigation which will materially affect its ability to repay such LOAN on the terms contained in the LOAN agreement; and
- F. The LOAN agreement constitutes a valid general obligation of the RECIPIENT payable from annual *ad valorem* taxes to be levied within the constitutional and statutory tax limitations provided by law without a vote of the electors of the RECIPIENT on all of the taxable property within the boundaries of the RECIPIENT.

Capitalized terms used herein will have the meanings ascribed thereto in the LOAN agreement between the RECIPIENT and the DEPARTMENT.

RECIPIENT's Legal Counsel

Date

ATTACHMENT 4: GENERAL PROJECT MANAGEMENT REQUIREMENTS

FOR THE WASHINGTON STATE WATER POLLUTION CONTROL REVOLVING FUND
AND CENTENNIAL CLEAN WATER PROGRAM PROJECTS
(UNLESS MODIFIED BY A SPECIAL TERM AND CONDITION IN PART V.)

ACCOUNTING STANDARDS

The RECIPIENT will maintain accurate records and accounts for the PROJECT ("PROJECT Records") in accordance with Chapter 43.09.200 RCW "Local Government Accounting - Uniform System of Accounting."

These PROJECT Records will be separate and distinct from the RECIPIENT's other records and accounts (General Accounts). Eligible costs will be audited every other year, or annually if more than \$500,000 of federal funds are received in any given year. Audits will be performed by an independent, certified accountant or state auditor, which may be part of the annual audit of the General Accounts of the RECIPIENT. If the annual audit includes an auditing of this PROJECT, a copy of such audit, including all written comments, recommendations, and findings, will be furnished to the DEPARTMENT within 30 days after receipt of the final audit report.

AUTHORITY

Authority of RECIPIENT

This LOAN agreement is authorized by the Constitution and laws of the state of Washington, including the RECIPIENT's authority, and by the RECIPIENT pursuant to the ordinance or resolution attached as ATTACHMENT 2.

Opinion of RECIPIENT's Legal Counsel

The DEPARTMENT has received an opinion of legal counsel to the RECIPIENT in the form and substance of ATTACHMENT 1.

CERTIFICATIONS

The RECIPIENT certifies by signing this LOAN agreement that all negotiated interlocal agreements necessary for the PROJECT are, or will be, consistent with the terms of this LOAN agreement and Chapter 39.34 RCW, "Interlocal Cooperation Act." The RECIPIENT will submit a copy of each interlocal agreement necessary for the PROJECT to the DEPARTMENT.

The RECIPIENT certifies by signing this LOAN agreement that all applicable requirements have been satisfied in the procurement of professional services and that eligible and ineligible costs are separated and identifiable. The RECIPIENT will submit a copy of the final negotiated agreement to the DEPARTMENT for eligibility determination.

The RECIPIENT certifies by signing this LOAN agreement that the requirements of Chapter 39.80 RCW, "Contracts for Architectural and Engineering Services," have been, or will be, met in procuring qualified architectural/engineering services. The RECIPIENT will identify and separate eligible and ineligible costs in the final negotiated agreement and submit a copy of the agreement to the DEPARTMENT.

CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION:

1. The RECIPIENT, by signing this agreement, certifies that it is not suspended, debarred, proposed for debarment, declared ineligible or otherwise excluded from contracting with the federal government, or from receiving contracts paid for with federal funds. If the RECIPIENT is unable to certify to the statements contained in the certification, they must provide an explanation as to why they cannot.
2. The RECIPIENT will provide immediate written notice to the DEPARTMENT if at any time the RECIPIENT learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
3. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. The RECIPIENT may contact the DEPARTMENT for assistance in obtaining a copy of those regulations.
4. The RECIPIENT agrees it will not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under the applicable Code of Federal Regulations, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.
5. The RECIPIENT further agrees by signing this agreement, that it will include this clause titled "CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION" without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
6. Pursuant to 2CFR180.330, the RECIPIENT is responsible for ensuring that any lower tier covered transaction complies with certification of suspension and debarment requirements.
7. The RECIPIENT acknowledges that failing to disclose the information required in the Code of Federal Regulations may result in the delay or negation of this funding agreement, or pursuance of legal remedies, including suspension and debarment.
8. The RECIPIENT agrees to keep proof in its agreement file, that it, and all lower tier recipients or contractors, are not suspended or debarred, and will make this proof available to the DEPARTMENT before requests for reimbursements will be approved for payment. The RECIPIENT must run a search in www.epls.gov and print a copy of completed searches to document proof of compliance.

CLEAN WATER STATE REVOLVING FUND INITIAL DATA REPORTING SHEET (DATA SHEET)

The RECIPIENT will submit the completed Data Sheet to the DEPARTMENT. The completed Data Sheet will be included in this LOAN agreement as ATTACHMENT 7 Part 2 (see ATTACHMENT 7 for further instructions).

COMMENCEMENT OF WORK

The DEPARTMENT reserves the right to terminate this LOAN agreement if work does not commence on the project within 4 months after the DEPARTMENT's deadline for signing this LOAN agreement.

COVENANTS AND AGREEMENTS

Acceptance

The RECIPIENT accepts and agrees to comply with all terms, provisions, conditions, and commitments of this LOAN agreement, including all incorporated and referenced documents, and to fulfill all assurances, declarations, representations, and commitments made by the RECIPIENT in its application, accompanying documents, and communications filed in support of its request for a LOAN.

Accounts and Records

The RECIPIENT will keep proper and separate accounts and records in which complete and separate entries will be made of all transactions relating to this LOAN agreement. The RECIPIENT will keep such records for six years after receipt of final LOAN disbursement.

Alteration and Eligibility of PROJECT

During the term of this LOAN agreement, the RECIPIENT (i) will not materially alter the design or structural character of the PROJECT without the prior written approval of the DEPARTMENT and (ii) will take no action which would adversely affect the eligibility of the PROJECT as defined by applicable funding program rules and state statutes, or which would cause a violation of any covenant, condition, or provision herein.

Collection of ULID Assessments (if used to secure the repayment of this LOAN)

All ULID Assessments in the ULID will be paid into the LOAN Fund and used to pay the principal of and interest on the LOAN. The ULID Assessments in the ULID may be deposited into the Reserve Account to satisfy a Reserve Requirement if a Reserve Requirement is applicable.

Free Service

The RECIPIENT will not furnish Utility service to any customer free of charge if providing that free service will affect the RECIPIENT's ability to meet the obligations of this LOAN agreement.

Insurance

The RECIPIENT will at all times carry fire and extended coverage, public liability and property damage, and such other forms of insurance with responsible insurers and with policies payable to the RECIPIENT on such of the buildings, equipment, works, plants, facilities, and properties of the Utility as are ordinarily carried by municipal or privately-owned utilities engaged in the operation of like systems, and against such claims for damages as are ordinarily carried by municipal or privately-owned utilities engaged in the operation of like systems, or it will self-insure or will participate in an insurance pool or pools with reserves adequate, in the reasonable judgment of the RECIPIENT, to protect it against loss.

Levy and Collection of Taxes (if used to secure the repayment of this LOAN)

For so long as the LOAN is outstanding, the RECIPIENT irrevocably pledges to include in its budget and levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of its electors on all of the taxable property within the boundaries of the RECIPIENT in an amount sufficient, together with other money legally available and to be used therefore, to pay when due the principal of and interest on the LOAN, and the full faith, credit and resources of the RECIPIENT are pledged irrevocably for the annual levy and collection of those taxes and the prompt

payment of that principal and interest.

Maintenance and Operation of a Funded Utility

The RECIPIENT will at all times maintain and keep a funded Utility in good repair, working order and condition and also will at all times operate the Utility and the business in an efficient manner and at a reasonable cost.

Pledge of Net Revenue and ULID Assessments in the ULID (if used to secure the repayment of this LOAN)

For so long as the LOAN is outstanding, the RECIPIENT irrevocably pledges the Net Revenue of the Utility, including applicable ULID Assessments in the ULID, to pay when due the principal of and interest on the LOAN.

Reserve Requirement

For loans that are Revenue-Secured Debt with terms greater than five years, the RECIPIENT must accumulate a reserve for the LOAN equivalent to at least the Average Annual Debt Service on the LOAN during the first five years of the repayment period of the LOAN. This amount will be deposited in a Reserve Account in the LOAN Fund in approximately equal annual payments commencing within one year after the Initiation of Operation or the PROJECT Completion Date, whichever comes first.

“Reserve Account” means, for a LOAN that constitutes Revenue-Secured Debt, an account of that name created in the LOAN Fund to secure the payment of the principal and interest on the LOAN. The amount on deposit in the Reserve Account may be applied by the RECIPIENT (i) to make, in part or in full, the final repayment to the DEPARTMENT of the LOAN Amount or, (ii) if not so applied, for any other lawful purpose of the RECIPIENT once the LOAN Amount, plus interest and any other amounts owing to the DEPARTMENT, have been paid in full.

Sale or Disposition of Utility

The RECIPIENT will not sell, transfer, or otherwise dispose of any of the works, plant, properties, facilities or other part of the Utility, or any real or personal property comprising a part of the Utility unless one of the following applies:

1. The facilities or property transferred are not material to the operation of the Utility; or have become unserviceable, inadequate, obsolete, or unfit to be used in the operation of the Utility; or are no longer necessary, material, or useful to the operation of the Utility.
2. The aggregate depreciated cost value of the facilities or property being transferred in any fiscal year comprises no more than three percent of the total assets of the Utility.
3. The RECIPIENT receives from the transferee an amount which will be in the same proportion to the net amount of Senior Lien Obligations and this LOAN then outstanding (defined as the total amount outstanding less the amount of cash and investments in the bond and LOAN Funds securing such debt) as the Gross Revenue of the Utility from the portion of the Utility sold or disposed of for the preceding year bears to the total Gross Revenue for that period.

The proceeds of any transfer under this paragraph will be used (i) to redeem promptly, or irrevocably set aside for the redemption of, Senior Lien Obligations and to redeem promptly the LOAN, or (ii) to provide for part of the cost of additions to and betterments and extensions of the Utility.

DISADVANTAGED BUSINESS ENTERPRISE (DBE)

General Compliance, 40 CFR, Part 33. The RECIPIENT agrees to comply with the requirements of

the Environmental Protection Agency's Program for Utilization of Small, Minority, and Women's Business Enterprises (MBE/WBE) 40CFR, Part 33 in procurement under this LOAN agreement.

Non-discrimination Provision. The RECIPIENT will not discriminate on the basis of race, color, national origin or sex in the performance of this LOAN agreement. The RECIPIENT will 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 RECIPIENT to carry out these requirements is a material breach of this LOAN agreement which may result in the termination of this contract or other legally available remedies.

The RECIPIENT will comply with all federal and state nondiscrimination laws, including, but not limited to Title VI and VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and Chapter 49.60 RCW, Washington's Law Against Discrimination, and 42 U.S.C. 12101 et seq, the Americans with Disabilities Act (ADA).

In the event of the RECIPIENT's noncompliance or refusal to comply with any applicable nondiscrimination law, regulation, or policy, this LOAN agreement may be rescinded, canceled, or terminated in whole or in part, and the RECIPIENT may be declared ineligible for further funding from the DEPARTMENT. The RECIPIENT will, however, be given a reasonable time in which to cure this noncompliance.

Fair Share Objective/Goals, 40 CFR, Part 33, Subpart D. If the dollar amount of this LOAN agreement or the total dollar amount of all of the RECIPIENT's financial assistance agreements in the current federal fiscal year from the Revolving Fund is over \$250,000, the RECIPIENT accepts the applicable MBE/WBE fair share objectives/goals negotiated with EPA by the **Office of Minority Women Business Enterprises** as follows:

Construction	10.00% MBE	6.00% WBE
Supplies	8.00% MBE	4.00% WBE
Services	10.00% MBE	4.00% WBE
Equipment	8.00% MBE	8.00% WBE

By signing this LOAN agreement the RECIPIENT is accepting the fair share objectives/goals stated above and attests to the fact that it is purchasing the same or similar construction, supplies, services and equipment, in the same or similar relevant geographic buying market as **Office of Minority Women Business Enterprises**.

Six Good Faith Efforts, 40 CFR, Part 33, Subpart C. The RECIPIENT agrees to make the following good faith efforts whenever procuring construction, equipment, services and supplies under this LOAN agreement. Records documenting compliance with the following six good faith efforts will be retained:

- 1) Ensuring Disadvantaged Business Enterprises 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 Disadvantaged Business Enterprises on solicitation lists and soliciting them whenever they are potential sources. *Qualified Women and Minority business enterprises may be found on the Internet at www.omwbe.wa.gov or by contacting the Washington State Office of Minority and Women's Enterprises at 360-704-1181.*

- 2) Making information on forthcoming opportunities available to Disadvantaged Business Enterprises and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by Disadvantaged Business Enterprises in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of thirty (30) calendar days before the bid or proposal closing date.
- 3) Considering in the contracting process whether firms competing for large contracts could subcontract with Disadvantaged Business Enterprises. 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 Disadvantaged Business Enterprises in the competitive process.
- 4) Encourage contracting with a consortium of Disadvantaged Business Enterprises when a contract is too large for one of these firms to handle individually.
- 5) Using services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
- 6) If the prime contractor awards subcontracts, requiring the subcontractors to take the five good faith efforts in paragraphs 1 through 5 above.

MBE/WBE Reporting, 40 CFR, Part 33, Sections 33.302, 33.502 and 33.503. The RECIPIENT agrees to provide forms: EPA Form 6100-2 DBE Subcontractor Participation Form and EPA Form 6100-3 DBE Subcontractor Performance Form to all its DBE subcontractors, and EPA Form 6100-4 DBE Subcontractor Utilization Form to all its prime contractors. These forms may be obtained from the EPA Office of Small Business Program's website on the internet at www.epa.gov/osbp.

EPA Form 6100-2 – The RECIPIENT must document that this form was received by DBE subcontractor. DBE subcontractors may submit the completed form to the EPA Region 10 DBE coordinator in order to document issues or concerns with their usage or payment for a subcontract.

EPA Form 6100-3 – This form must be completed by DBE subcontractor(s), submitted with bid, and kept with the contract.

EPA Form 6100-4 – This form must be completed by the prime contractor, submitted with bid, and kept with the contract.

The RECIPIENT also agrees to submit the DEPARTMENT's MBE/WBE participation report - Form D with each payment request.

Contract Administration Provisions, 40 CFR, Section 33.302. The RECIPIENT agrees to comply with the contract administration provisions of 40 CFR, Section 33.302. The RECIPIENT also agrees to ensure that recipients of identified loans also comply with provisions of 40CFR, Section 33.302. The RECIPIENT will include the following terms and conditions in contracts with all contractors, subcontractors, engineers, vendors, and any other entity for work or services pertaining to this LOAN agreement.

“The Contractor will not discriminate on the basis of race, color, national origin or sex in the performance of this Contract. The Contractor will carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under Environmental Protection Agency financial agreements. Failure by the Contractor to carry out these requirements is a

material breach of this Contract which may result in termination of this Contract or other legally available remedies.”

Bidder List, 40 CFR, Section 33.501(b) and (c). The RECIPIENT agrees to create and maintain a bidders list. The bidders list will include the following information for all firms that bid or quote on prime contracts, or bid or quote subcontracts, including both MBE/WBEs and non-MBE/WBEs.

1. Entity's name with point of contact;
2. Entity's mailing address, telephone number, and e-mail address;
3. The procurement on which the entity bid or quoted, and when; and
4. Entity's status as an MBE/WBE or non-MBE/WBE.

FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) REPORTING REQUIREMENTS:

In order to comply with the FFATA, the RECIPIENT must complete the FFATA Data Collection Form and return it to the DEPARTMENT. The DEPARTMENT will report basic agreement information, including the required DUNS number, for all federally-funded agreements at www.fsrs.gov. This information will be made available to the public at www.usaspending.gov. RECIPIENTS who do not have a DUNS number can find guidance at www.grants.gov. Please note that the DEPARTMENT will not sign this LOAN agreement until it has received the completed FFATA Data Collection Form. The RECIPIENT will submit this form electronically as well as provide a hard copy to the DEPARTMENT (see ATTACHMENT 7 for detailed instructions).

Any RECIPIENT that meets each of the criteria below must also report compensation for its five top executives, using the DEPARTMENT’s Federal Funding Accountability and Transparency Act (FFATA) Data Collection Form.

- Receives more than \$25,000 in federal funds under this award; and
- Receives more than 80 percent of its annual gross revenues from federal funds; and
- Receives more than \$25,000,000 in annual federal funds

See www.fsrs.gov for details of this requirement. If your organization falls into this category, you must report the required information to Ecology.

FORCE ACCOUNT

Prior to using its own forces to accomplish eligible PROJECT work, the RECIPIENT must request DEPARTMENT approval. The request must include a dollar amount and general description of the force account work. The request must also include a certification that the RECIPIENT has the legal authority to perform the work and adequate and technically qualified staff to perform the work without compromising other government functions. The RECIPIENT agrees to track and report the force account work submitted to the DEPARTMENT for reimbursement.

GROWTH MANAGEMENT ACT COMPLIANCE

The RECIPIENT has provided documentation to the DEPARTMENT stating that a situation involving a public health need exists per Chapter 173-98 WAC, Uses and Limitations of the Water Pollution Control Revolving Fund, and that this PROJECT will address this condition and only this condition. This documentation consists of a declaration from the Secretary of the Washington State Department of Health or his/her designee. The RECIPIENT has also provided documentation to the DEPARTMENT stating that actions or measures are being implemented to address the public health need. The RECIPIENT will continue to pursue and ultimately achieve compliance with the

requirements of Chapter 36.70A RCW Growth Management - Planning by Selected Counties and Cities.

INCREASED OVERSIGHT (IF APPLICABLE)

The RECIPIENT will submit all backup documentation with each payment request submittal. In addition, the DEPARTMENT's Project Manager will establish a schedule for additional site visits to provide technical assistance to the RECIPIENT and verify progress or payment information.

LOAN REPAYMENT

Sources of LOAN Repayment

1. Nature of RECIPIENT's Obligation. The obligation of the RECIPIENT to repay the LOAN from the sources identified below and to perform and observe all of the other agreements and obligations on its part contained herein will be absolute and unconditional, and will not be subject to diminution by setoff, counterclaim, or abatement of any kind. To secure the repayment of the LOAN from the DEPARTMENT, the RECIPIENT agrees to comply with all of the covenants, agreements, and attachments contained herein.
2. For General Obligation. This LOAN is a General Obligation Debt of the RECIPIENT.
3. For General Obligation Payable from Special Assessments. This LOAN is a General Obligation Debt of the RECIPIENT payable from special assessments to be imposed within the constitutional and statutory tax limitations provided by law without a vote of the electors of the RECIPIENT on all of the taxable property within the boundaries of the RECIPIENT.
4. For Revenue-Secured; Lien Position. This LOAN is a Revenue-Secured Debt of the RECIPIENT's Utility. This LOAN will constitute a lien and charge upon the Net Revenue junior and subordinate to the lien and charge upon such Net Revenue of any Senior Lien Obligations.

In addition, if this LOAN is also secured by Utility Local Improvement Districts (ULID) Assessments, this LOAN will constitute a lien upon ULID Assessments in the ULID prior and superior to any other charges whatsoever.

5. Other Sources of Repayment. The RECIPIENT may repay any portion of the LOAN from any funds legally available to it.
6. Defeasance of the LOAN. So long as the DEPARTMENT will hold this LOAN, the RECIPIENT will not be entitled to, and will not effect, an economic Defeasance of the LOAN. The RECIPIENT will not advance refund the LOAN.

If the RECIPIENT defeases or advance refunds the LOAN, it will be required to use the proceeds thereof immediately upon their receipt, together with other available RECIPIENT funds, to repay both of the following:

- (i) the LOAN Amount with interest
- (ii) any other obligations of the RECIPIENT to the DEPARTMENT under this LOAN agreement, unless in its sole discretion the DEPARTMENT finds that repayment from those additional sources would not be in the public interest.

Failure to repay the LOAN Amount plus interest within the time specified in the DEPARTMENT's notice to make such repayment will incur Late Charges and will be treated as a LOAN Default.

7. Refinancing or Early Repayment of the PROJECT. So long as the DEPARTMENT will hold this LOAN, the RECIPIENT will give the DEPARTMENT thirty days written notice if the RECIPIENT intends to refinance or make early repayment of the LOAN.

Method and Conditions on Repayments

1. Semiannual Payments. Notwithstanding any other provision of this LOAN agreement, the first semiannual payment of principal and interest on this LOAN will be paid no later than one year after the PROJECT Completion Date or Initiation of Operation Date

Equal payments will be due every six months thereafter.

If the due date for any semiannual payment falls on a Saturday, Sunday, or designated holiday for Washington State agencies, the payment will be due on the next business day for Washington State agencies.

Payments will be mailed to:

Department of Ecology
Cashiering Unit
P.O. Box 47611
Olympia WA 98504-7611

In lieu of mailing payments, electronic fund transfers can be arranged by working with the DEPARTMENT's Financial Manager.

No change to the amount of the semiannual principal and interest payments will be made without a formal amendment to this LOAN agreement. The RECIPIENT will continue to make semiannual payments based on this LOAN agreement until the amendment is effective, at which time the RECIPIENT's payments will be made pursuant to the amended LOAN agreement.

2. Late Charges. If any amount of the Final LOAN Amount or any other amount owed to the DEPARTMENT pursuant to this LOAN agreement remains unpaid after it becomes due and payable, the DEPARTMENT may assess a Late Charge. The Late Charge will be one percent per month on the past due amount starting on the date the debt becomes past due and until it is paid in full.
3. Repayment Limitations. Repayment of the LOAN is subject to the following additional limitations, among others: those on Defeasance, refinancing and advance refunding, termination, and default and recovery of payments.
4. Prepayment of LOAN. So long as the DEPARTMENT will hold this LOAN, the RECIPIENT may prepay the entire unpaid principal balance of and accrued interest on the LOAN or any portion of the remaining unpaid principal balance of the LOAN Amount. Any prepayments on the LOAN will be applied first to any accrued interest due and then to the outstanding principal balance of the LOAN Amount. If the RECIPIENT elects to prepay the entire remaining unpaid balance and accrued interest, the RECIPIENT will first contact the DEPARTMENT's Revenue/Receivable Manager of the Fiscal Office.

LOCAL LOAN FUND PROJECTS

Local Loan Fund. The RECIPIENT will use the funds received from the DEPARTMENT under this LOAN agreement to establish and administer a local loan fund.

Local Loan Fund Servicing. The RECIPIENT will be responsible for local loan servicing and collecting and tracking local loan payments, but may contract for such services through a lending institution. The RECIPIENT will officially approve or deny the local loan request and will establish the local loan interest rate and the repayment period.

Schedule. A schedule for PROJECT completion, including milestone dates for loan marketing activities, numbers of loan applications and closures, disbursements, application deadlines, etc., will be submitted by the RECIPIENT with each quarterly progress report.

MODIFICATIONS TO AGREEMENT

No subsequent amendments to this LOAN agreement will be of any force or effect unless reduced to a writing and signed by authorized representatives of the RECIPIENT and the DEPARTMENT, and made part hereof, except:

Insubstantial modifications may be approved in writing by the Department's Project Manager without a formal amendment. Insubstantial changes include:

- LOAN agreement contact
- Contact for billing/invoice questions
- The DEPARTMENT'S Project Manager or Financial Manager
- Frequency and number of required submittals
- Budget allocations not affecting the total LOAN Amount
- Similar changes requested by the RECIPIENT

No amendment to this LOAN agreement will be effective until accepted or affirmed in writing by the DEPARTMENT. In no event will any oral agreement or oral commitment be effective to amend this LOAN agreement.

PAYMENT REQUEST SUBMITTALS

Equipment Purchase

Equipment not included in a construction plans and specification approval must be pre-approved by the DEPARTMENT's project manager.

Requests for Payment

Instructions for submitting payment requests are found in ADMINISTRATIVE REQUIREMENTS, PART IV. A copy of this document will be furnished to the RECIPIENT.

1. Procedure. Payment requests will be submitted by the RECIPIENT to the Financial Manager of the DEPARTMENT.
2. Cost Reimbursable Basis: Payments to the RECIPIENT will be made on a "reimbursable basis" no more often than once per month unless allowed by the DEPARTMENT's Financial Manager. The DEPARTMENT's Financial Manager may require the RECIPIENT to submit regular payment requests to ensure efficient and timely use of funds.
3. Documentation: Each request for payment will be submitted by the RECIPIENT, along

with documentation of the expenses per the DEPARTMENT's ADMINISTRATIVE REQUIREMENTS.

4. Required Forms: The RECIPIENT will submit all forms and supportive documentation to the DEPARTMENT's Financial Manager. Invoice voucher submittals will include:
 - State of Washington Invoice Voucher Form A19-1A
 - Form B2 (ECY 060-7)
 - Form C2 (ECY 060-9)
 - Form D (ECY 060-11)
5. Period of Payment. Payments will only be made for eligible costs of the PROJECT pursuant to the LOAN agreement and performed after the effective date and prior to the expiration date of the LOAN agreement, unless those dates are specifically modified in this LOAN agreement.
6. Ineligible Costs. Payments will be made only for eligible PROJECT costs incurred and will not exceed the Estimated LOAN Amount. If any audit identifies LOAN funds which were used to support ineligible costs, such funds may be immediately due and payable to the DEPARTMENT notwithstanding any provision to the contrary herein.
7. Overhead Costs. No payment for overhead costs in excess of 25 percent of salaries and benefits of the RECIPIENT will be allowed.
8. Certification. Each payment request will constitute a certification by the RECIPIENT to the effect that all representations and warranties made in this LOAN agreement remain true as of the date of the request and that no adverse developments, affecting the financial condition of the RECIPIENT or its ability to complete the PROJECT or to repay the principal of or interest on the LOAN, have occurred since the date of this LOAN agreement. Any changes in the RECIPIENT's financial condition will be disclosed in writing to the DEPARTMENT by the RECIPIENT in its request for payment.

POST PROJECT ASSESSMENT SURVEY

The RECIPIENT agrees to submit a brief survey regarding the key project results or water quality project outcomes and the status of eventual environmental results or goals from the project.

The RECIPIENT will e-mail the survey, as an attachment, to the DEPARTMENT's Project Manager and the DEPARTMENT's Water Quality Program Performance Measures Lead.

The DEPARTMENT may conduct site interviews and inspections, and may otherwise evaluate the Project.

PREVAILING WAGE

Prevailing Wage (Davis-Bacon Act):

The RECIPIENT agrees, by signing this LOAN agreement, to comply with the Davis-Bacon Act prevailing wage requirements. This applies to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by the State Revolving Fund as authorized by Section 513, title VI of the Federal Water Pollution Control Act (33 U.S.C. 1372). Laborers and mechanics employed by contractors and subcontractors will be paid wages not less often than once a week and at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor.

The RECIPIENT will obtain the wage determination for the area in which the PROJECT is located prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation). These wage determinations will be incorporated into solicitations and any subsequent contracts. The RECIPIENT will ensure that the required EPA contract language regarding Davis-Bacon Wages is in all contracts and sub contracts in excess of \$2,000. The RECIPIENT will maintain records sufficient to document compliance with the Davis-Bacon Act, and make such records available for review upon request.

The RECIPIENT also agrees, by signing this LOAN agreement, to comply with State Prevailing Wages on Public Works, Chapter 39.12 RCW, as applicable. Compliance may include the determination whether the PROJECT involves "public work" and inclusion of the applicable prevailing wage rates in the bid specifications and contracts. The RECIPIENT agrees to maintain records sufficient to evidence compliance with Chapter 39.12 RCW, and make such records available for review upon request.

PROCUREMENT

The RECIPIENT is responsible for procuring professional, personal, and other services using sound business judgment and good administrative procedures. This includes issuance of invitation of bids, requests for proposals, selection of contractors, award of subagreements, and other related procurement matters. The RECIPIENT will follow State procurement laws.

PROGRESS REPORTS

The RECIPIENT will submit progress reports to the DEPARTMENT at least quarterly or such other schedule as set forth herein. The RECIPIENT will submit a copy of each progress report to both the Financial Manager and the Project Manager of the DEPARTMENT. Quarterly reports will cover the periods:

January 1 through March 31

April 1 through June 30

July 1 through September 30

October 1 through December 31

Quarterly reports are due 15 days following the end of the quarter being reported. Payment requests will not be processed without a current Progress Report. A progress report must be submitted even if no progress has occurred.

A Progress Report Form is available on the DEPARTMENT's website at <http://www.ecy.wa.gov/programs/wq/funding/GrantLoanMgmtDocs/GrantLoanMgmtTools.html>. At a minimum, all progress reports must contain the items outlined in the DEPARTMENT's Progress Report Form. The DEPARTMENT may request additional information as necessary.

The RECIPIENT will also report in writing to the DEPARTMENT any problems, delays, or adverse conditions which will materially affect its ability to meet PROJECT objectives or time schedules. This disclosure will be accompanied by a statement of the action taken or proposed and any assistance needed from the DEPARTMENT to resolve the situation.

REPRESENTATIONS AND WARRANTIES

The RECIPIENT represents and warrants to the DEPARTMENT as follows:

A. Existence; Authority.

It is a duly formed and legally existing municipal corporation or political subdivision of the state of Washington or a federally recognized Indian tribe. It has full corporate power and authority to execute, deliver, and perform all of its obligations under this LOAN agreement and to undertake the PROJECT identified herein.

B. Application; Material Information.

All information and materials submitted by the RECIPIENT to the DEPARTMENT in connection with its LOAN application were, when made, and are, as of the date the RECIPIENT executes this LOAN agreement, true and correct. There is no material adverse information relating to the RECIPIENT, the PROJECT, the LOAN, or this LOAN agreement known to the RECIPIENT which has not been disclosed in writing to the DEPARTMENT.

C. Litigation; Authority.

No litigation is now pending or, to the RECIPIENT'S knowledge, threatened, seeking to restrain, or enjoin:

- (i) the execution of this LOAN agreement; or
- (ii) the fixing or collection of the revenues, rates, and charges or the formation of the ULID and the levy and collection of ULID Assessments therein pledged to pay the principal of and interest on the LOAN (for revenue secured lien obligations); or
- (iii) the levy and collection of the taxes pledged to pay the principal of and interest on the LOAN (for general obligation-secured loans and general obligation payable from special-assessment-secured loans); or
- (iii) in any manner questioning the proceedings and authority under which the LOAN agreement, the LOAN, or the PROJECT are authorized. Neither the corporate existence or boundaries of the RECIPIENT nor the title of its present officers to their respective offices is being contested. No authority or proceeding for the execution of this LOAN agreement has been repealed, revoked, or rescinded.

D. Not an Excess Indebtedness

For LOANS secured with a general obligation pledge or a general obligation pledge on special assessments: The RECIPIENT agrees that this LOAN agreement and the LOAN to be made do not create an indebtedness of the RECIPIENT in excess of any constitutional or statutory limitations.

E. Due Regard

For LOANS secured with a Revenue Obligation: The RECIPIENT has exercised due regard for Maintenance and Operation Expense and the debt service requirements of the Senior Lien Obligations and any other outstanding obligations pledging the Gross Revenue of the Utility, and it has not obligated itself to set aside and pay into the LOAN Fund a greater amount of the Gross Revenue of the Utility than, in its judgment, will be available over and above such Maintenance and Operation Expense and those debt service requirements.

SIGNAGE

All site-specific projects must have a sign of sufficient size to be seen from nearby roadways acknowledging department financial assistance and left in place throughout the life of the project or facility. Department logos must be on all signs and documents. Logos will be provided as needed.

SMALL BUSINESS IN RURAL AREAS (FOR FEDERALLY FUNDED PROJECTS)

If a contract is awarded by the RECIPIENT under this LOAN agreement, the RECIPIENT is also

required to utilize the following affirmative steps:

1. Place Small Business in Rural Areas (SBRAs) on solicitation lists.
2. Make sure the SBRAs are solicited whenever there are potential sources.
3. Divide total requirements, when economically feasible, into small tasks or quantities to permit maximum participation by SBRAs.
4. Establish delivery schedules, where requirements of work will permit, which could encourage participation by SBRAs.
5. Use the services of the Small Business Administration and the Minority Business Development Agency of the U.S. Department of Commerce, as appropriate.
6. Require the contractor to comply with the affirmative steps outlined above.

The negotiated "Fair Share Percentage" for the SBRAs is one-half of one percent.

There is no formal reporting requirement for SBRAs at this time; however, it is highly recommended that the RECIPIENT keep records of SBRA participation.

TERMINATION AND DEFAULT; REMEDIES

A. Termination and Default Events

1. For Insufficient DEPARTMENT or RECIPIENT Funds. This LOAN agreement may be terminated by the DEPARTMENT for insufficient DEPARTMENT or RECIPIENT funds.
2. For Failure to Commence Work. This LOAN agreement may be terminated by the DEPARTMENT for failure of the RECIPIENT to commence PROJECT work.
3. Past Due Payments. The RECIPIENT will be in default of its obligations under this LOAN agreement when any LOAN repayment becomes 60 days past due.
4. Other Cause. The obligation of the DEPARTMENT to the RECIPIENT is contingent upon satisfactory performance in full by the RECIPIENT of all of its obligations under this LOAN agreement. The RECIPIENT will be in default of its obligations under this LOAN agreement if, in the opinion of the DEPARTMENT, the RECIPIENT has unjustifiably failed to perform any obligation required of it by this LOAN agreement.

B. Procedures for Termination

If this LOAN agreement is terminated prior to PROJECT completion, the DEPARTMENT will provide to the RECIPIENT a written notice of termination at least five working days prior to the effective date of termination (the "Termination Date"). The written notice of termination by the DEPARTMENT will specify the Termination Date and, when applicable, the date by which the RECIPIENT must repay any outstanding balance of the LOAN and all accrued interest (the "Termination Payment Date").

C. Termination and Default Remedies

1. No Further Payments. On and after the Termination Date, or in the event of a default event, the DEPARTMENT may, in its sole discretion, withdraw the LOAN and make no further payments under this LOAN agreement.
2. Repayment Demand. In response to a DEPARTMENT initiated termination event, or in response to a LOAN default event, the DEPARTMENT may in its sole discretion demand that the RECIPIENT repay the outstanding balance of the LOAN Amount and all accrued

interest.

3. Interest after Repayment Demand. From the time that the DEPARTMENT demands repayment of funds, amounts owed by the RECIPIENT to the DEPARTMENT will accrue additional interest at the rate of one percent per month, or fraction thereof.
4. Accelerate Repayments. In the event of a default, the DEPARTMENT may in its sole discretion declare the principal of and interest on the LOAN immediately due and payable, subject to the prior lien and charge of any outstanding Senior Lien Obligations upon the Net Revenue. Repayments not made immediately upon such acceleration will incur Late Charges.
5. Late Charges. All amounts due to the DEPARTMENT and not paid by the RECIPIENT by the Termination Payment Date or after acceleration following a default event, as applicable, will incur Late Charges.
6. Intercept State Funds. In the event of a default event and in accordance with RCW 90.50A.060, "Defaults," any state funds otherwise due to the RECIPIENT may, in the DEPARTMENT's sole discretion, be withheld and applied to the repayment of the LOAN.
7. Property to DEPARTMENT. In the event of a default event and at the option of the DEPARTMENT, any property (equipment and land) acquired under this LOAN agreement may, in the DEPARTMENT's sole discretion, become the DEPARTMENT's property. In that circumstance, the RECIPIENT's liability to repay money will be reduced by an amount reflecting the fair value of such property.
8. Documents and Materials. If this LOAN agreement is terminated, all finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the RECIPIENT will, at the option of the DEPARTMENT, become DEPARTMENT property. The RECIPIENT will be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.
9. Collection and Enforcement Actions. In the event of a default event, the state of Washington reserves the right to take any actions it deems necessary to collect the amounts due, or to become due, or to enforce the performance and observance of any obligation by the RECIPIENT, under this LOAN agreement.
10. Fees and Expenses. In any action to enforce the provisions of this LOAN agreement, reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of legal staff) will be awarded to the prevailing party as that term is defined in RCW 4.84.330, "Actions on contract or lease . . .—Waiver prohibited."
11. Damages. Notwithstanding the DEPARTMENT's exercise of any or all of the termination or default remedies provided in this LOAN agreement, the RECIPIENT will not be relieved of any liability to the DEPARTMENT for damages sustained by the DEPARTMENT and/or the state of Washington because of any breach of this LOAN agreement by the RECIPIENT. The DEPARTMENT may withhold payments for the purpose of setoff until such time as the exact amount of damages due the DEPARTMENT from the RECIPIENT is determined.

ATTACHMENT 5: AGREEMENT DEFINITIONS

Unless otherwise provided, the following terms will have the respective meanings for all purposes of this LOAN agreement:

“Administrative Requirements” means the effective edition of DEPARTMENT's ADMINISTRATIVE REQUIREMENTS FOR ECOLOGY GRANTS AND LOANS at the signing of this LOAN.

“Annual Debt Service” for any calendar year means for any applicable bonds or loans including the LOAN, all interest plus all principal due on such bonds or loans in such year.

“Average Annual Debt Service” means, at the time of calculation, the sum of the Annual Debt Service for the remaining years of the LOAN to the last scheduled maturity of the LOAN divided by the number of those years.

“Contract Documents” means the contract between the RECIPIENT and the construction contractor for construction of the PROJECT.

“Defeasement” or **“Defeasance”** means the setting aside in escrow or other special fund or account of sufficient investments and money dedicated to pay all principal of and interest on all or a portion of an obligation as it comes due.

“DEPARTMENT” means the state of Washington, Department of Ecology, or any successor agency or department.

“Estimated LOAN Amount” means the initial amount of funds loaned to the RECIPIENT.

“Final LOAN Amount” means all principal of and interest on the LOAN from the PROJECT Start Date through the PROJECT Completion Date.

“General Obligation Debt” means an obligation of the RECIPIENT secured by annual *ad valorem* taxes levied by the RECIPIENT and by the full faith, credit, and resources of the RECIPIENT.

“General Obligation Payable from Special Assessments Debt” means an obligation of the RECIPIENT secured by a valid general obligation of the Recipient payable from special assessments to be imposed within the constitutional and statutory tax limitations provided by law without a vote of the electors of the RECIPIENT on all of the taxable property within the boundaries of the RECIPIENT.

“Gross Revenue” means all of the earnings and revenues received by the RECIPIENT from the maintenance and operation of the Utility and all earnings from the investment of money on deposit in the LOAN Fund, except (i) Utility Local Improvement Districts (ULID) Assessments, (ii) government grants, (iii) RECIPIENT taxes, (iv) principal proceeds of bonds and other obligations, or (v) earnings or proceeds (A) from any investments in a trust, Defeasance, or escrow fund created to Defeasement or refund Utility obligations or (B) in an obligation redemption fund or account other than the LOAN Fund until commingled with other earnings and revenues of the Utility or (C) held in a special account for the purpose of paying a rebate to the United States Government under the Internal Revenue Code.

“Guidelines” means the DEPARTMENT's Funding Guidelines that correlate to the State Fiscal Year in which the PROJECT is funded.

“Initiation of Operation” is the actual date the Water Pollution Control Facility financed with proceeds of the LOAN begins to operate for its intended purpose.

“LOAN” means the Washington State Water Pollution Control Revolving Fund Loan or Centennial Clean Water Fund (Centennial) Loan made pursuant to this LOAN agreement.

“LOAN Amount” means either an Estimated LOAN Amount or a Final LOAN Amount, as applicable.

“LOAN Fund” means the special fund of that name created by ordinance or resolution of the RECIPIENT for the repayment of the principal of and interest on the LOAN.

“Maintenance and Operation Expense” means all reasonable expenses incurred by the RECIPIENT in causing the Utility to be operated and maintained in good repair, working order, and condition including payments to other parties, but will not include any depreciation or RECIPIENT levied taxes or payments to the RECIPIENT in lieu of taxes.

“Net Revenue” means the Gross Revenue less the Maintenance and Operation Expense.

“Principal and Interest Account” means, for a LOAN that constitutes Revenue-Secured Debt, the account of that name created in the LOAN Fund to be first used to repay the principal of and interest on the LOAN.

“PROJECT” means the PROJECT described in this LOAN agreement.

“PROJECT Completion Date” is the date specified in the LOAN agreement as that on which the Scope of Work will be fully completed.

“PROJECT Schedule” is that schedule for the PROJECT specified in the LOAN agreement.

“Reserve Account” means, for a LOAN that constitutes Revenue-Secured Debt, the account of that name created in the LOAN Fund to secure the payment of the principal of and interest on the LOAN.

“Revenue-Secured Debt” means an obligation of the RECIPIENT secured by a pledge of the revenue of a utility and one not a general obligation of the RECIPIENT.

“Scope of Work” means the tasks and activities constituting the PROJECT.

“Senior Lien Obligations” means all revenue bonds and other obligations of the RECIPIENT outstanding on the date of execution of this LOAN agreement (or subsequently issued on a parity therewith, including refunding obligations) or issued after the date of execution of this LOAN agreement having a claim or lien on the Gross Revenue of the Utility prior and superior to the claim or lien of the LOAN, subject only to Maintenance and Operation Expense.

“State Water Pollution Control Revolving Fund (Revolving Fund)” means the water pollution control revolving fund established by RCW 90.50A.020.

“Termination Date” means the effective date of the DEPARTMENT’s termination of the LOAN agreement.

“Termination Payment Date” means the date on which the RECIPIENT is required to repay to the DEPARTMENT any outstanding balance of the LOAN and all accrued interest.

“Total Eligible PROJECT Cost” means the sum of all costs associated with a water quality project that have been determined to be eligible for DEPARTMENT grant or loan funding.

“Total PROJECT Cost” means the sum of all costs associated with a water quality project, including costs that are not eligible for DEPARTMENT grant or loan funding.

“ULID” means any utility local improvement district of the RECIPIENT created for the acquisition or construction of additions to and extensions and betterments of the Utility.

“ULID Assessments” means all assessments levied and collected in any ULID. Such assessments are pledged to be paid into the LOAN Fund (less any prepaid assessments permitted by law to be paid into a construction fund or account). ULID Assessments will include principal installments and any interest or penalties which may be due.

“Utility” means the sewer system, stormwater system, or the combined water and sewer system of the RECIPIENT, the Net Revenue of which is pledged to pay and secure the LOAN.

(Revised September 2007)

ATTACHMENT 6: LOAN GENERAL TERMS AND CONDITIONS
PERTAINING TO GRANT AND LOAN AGREEMENTS OF
THE DEPARTMENT OF ECOLOGY

A. RECIPIENT PERFORMANCE

All activities for which grant/LOAN Funds are to be used shall be accomplished by the RECIPIENT and RECIPIENT's employees. The RECIPIENT shall only use contractor/consultant assistance if that has been included in the LOAN agreement's final scope of work and budget.

B. SUBGRANTEE/CONTRACTOR COMPLIANCE

The RECIPIENT must ensure that all subgrantees and contractors comply with the terms and conditions of this LOAN agreement.

C. THIRD PARTY BENEFICIARY

The RECIPIENT shall ensure that in all subcontracts entered into by the RECIPIENT pursuant to this LOAN agreement, the state of Washington is named as an express third-party beneficiary of such subcontracts with full rights as such.

D. CONTRACTING FOR SERVICES (BIDDING)

Contracts for construction, purchase of equipment and professional architectural and engineering services shall be awarded through a competitive process, if required by State law. RECIPIENT shall retain copies of all bids received and contracts awarded, for inspection and use by the DEPARTMENT.

E. ASSIGNMENTS

No right or claim of the RECIPIENT arising under this LOAN agreement shall be transferred or assigned by the RECIPIENT.

F. COMPLIANCE WITH ALL LAWS

1. The RECIPIENT shall comply fully with all applicable Federal, State and local laws, orders, regulations and permits. Prior to commencement of any construction, the RECIPIENT shall secure the necessary approvals and permits required by authorities having jurisdiction over the project, provide assurance to the DEPARTMENT that all approvals and permits have been secured, and make copies available to the DEPARTMENT upon request.
2. Discrimination. The DEPARTMENT and the RECIPIENT agree to be bound by all Federal and State laws, regulations, and policies against discrimination. The RECIPIENT further agrees to affirmatively support the program of the Office of Minority and Women's Business Enterprises to the maximum extent possible. If the LOAN agreement is federally-funded, the RECIPIENT shall report to the DEPARTMENT the percent of grant/LOAN Funds available to women or minority owned businesses.

3. Wages and Job Safety. The RECIPIENT agrees to comply with all applicable laws, regulations, and policies of the United States and the State of Washington which affect wages and job safety.
4. Industrial Insurance. The RECIPIENT certifies full compliance with all applicable state industrial insurance requirements. If the RECIPIENT fails to comply with such laws, the DEPARTMENT shall have the right to immediately terminate this LOAN agreement for cause as provided in Section K.1, herein.

G. KICKBACKS

The RECIPIENT is prohibited from inducing by any means any person employed or otherwise involved in this project to give up any part of the compensation to which he/she is otherwise entitled or, receive any fee, commission or gift in return for award of a subcontract hereunder.

H. AUDITS AND INSPECTIONS

1. The RECIPIENT shall maintain complete program and financial records relating to this LOAN agreement. Such records shall clearly indicate total receipts and expenditures by fund source and task or object. All grant/loan records shall be kept in a manner which provides an audit trail for all expenditures. All records shall be kept in a common file to facilitate audits and inspections.

Engineering documentation and field inspection reports of all construction work accomplished under this LOAN agreement shall be maintained by the RECIPIENT.

2. All grant/loan records shall be open for audit or inspection by the DEPARTMENT or by any duly authorized audit representative of the State of Washington for a period of at least three years after the final grant payment/loan repayment or any dispute resolution hereunder. If any such audits identify discrepancies in the financial records, the RECIPIENT shall provide clarification and/or make adjustments accordingly.
3. All work performed under this LOAN agreement and any equipment purchased, shall be made available to the DEPARTMENT and to any authorized state, federal or local representative for inspection at any time during the course of this LOAN agreement and for at least three years following grant/loan termination or dispute resolution hereunder.
4. RECIPIENT shall meet the provisions in OMB Circular A-133 (Audits of States, Local Governments & Non Profit Organizations), including the compliance Supplement to OMB Circular A-133, if the RECIPIENT expends \$500,000 or more in a year in Federal funds. The \$500,000 threshold for each year is a cumulative total of all federal funding from all sources. The RECIPIENT must forward a copy of the audit along with the RECIPIENT'S response and the final corrective action plan to the DEPARTMENT within ninety (90) days of the date of the audit report.

I. PERFORMANCE REPORTING

The RECIPIENT shall submit progress reports to the DEPARTMENT with each payment request or such other schedule as set forth in the Special Conditions. The RECIPIENT shall also report in writing to the DEPARTMENT any problems, delays or adverse conditions which will materially affect their ability to meet project objectives or time schedules. This disclosure shall be accompanied by a statement of the action taken or proposed and any assistance needed from the DEPARTMENT to resolve the situation. Payments may be withheld if required progress reports are not submitted. Quarterly reports shall cover the periods January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31. Reports shall be due within thirty (30)

days following the end of the quarter being reported.

J. COMPENSATION

1. Method of compensation. Payment shall normally be made on a reimbursable basis as specified in the LOAN agreement and no more often than once per month. Each request for payment will be submitted by the RECIPIENT on State voucher request forms provided by the DEPARTMENT along with documentation of the expenses. Payments shall be made for each task/phase of the project, or portion thereof, as set out in the Scope of Work when completed by the RECIPIENT and approved as satisfactory by the Project Officer. The payment request form and supportive documents must itemize all allowable costs by major elements as described in the Scope of Work.

Instructions for submitting the payment requests are found in "Administrative Requirements for Ecology Grants and Loans", part IV, published by the DEPARTMENT. A copy of this document shall be furnished to the RECIPIENT. When payment requests are approved by the DEPARTMENT, payments will be made to the mutually agreed upon designee. Payment requests shall be submitted to the DEPARTMENT and directed to the Project Officer assigned to administer this LOAN agreement.
2. Period of Compensation. Payments shall only be made for actions of the RECIPIENT pursuant to the grant/LOAN agreement and performed after the effective date and prior to the expiration date of this LOAN agreement, unless those dates are specifically modified in writing as provided herein.
3. Final Request(s) for Payment. The RECIPIENT should submit final requests for compensation within forty-five (45) days after the expiration date of this LOAN agreement and within fifteen (15) days after the end of a fiscal biennium. Failure to comply may result in delayed reimbursement.
4. Performance Guarantee. The DEPARTMENT may withhold an amount not to exceed ten percent (10%) of each reimbursement payment as security for the RECIPIENT's performance. Monies withheld by the DEPARTMENT may be paid to the RECIPIENT when the project(s) described herein, or a portion thereof, have been completed if, in the DEPARTMENT's sole discretion, such payment is reasonable and approved according to this LOAN agreement and, as appropriate, upon completion of an audit as specified under section J.6. herein.
5. Unauthorized Expenditures. All payments to the RECIPIENT may be subject to final audit by the DEPARTMENT and any unauthorized expenditure(s) charged to this grant/loan shall be refunded to the DEPARTMENT by the RECIPIENT.
6. Mileage and Per Diem. If mileage and per diem are paid to the employees of the RECIPIENT or other public entities, it shall not exceed the amount allowed under state law for state employees.
7. Overhead Costs. No reimbursement for overhead costs shall be allowed unless provided for in the Scope of Work hereunder.

K. TERMINATION

1. For Cause. The obligation of the DEPARTMENT to the RECIPIENT is contingent upon satisfactory performance by the RECIPIENT of all of its obligations under this LOAN agreement. In the event the RECIPIENT unjustifiably fails, in the opinion of the DEPARTMENT, to perform any obligation required of it by this LOAN agreement, the DEPARTMENT may refuse to pay any further funds there under and/or terminate this LOAN agreement by giving written notice of termination.

A written notice of termination shall be given at least five working days prior to the effective date of termination. In that event, all finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the RECIPIENT under this LOAN agreement, at the option of the DEPARTMENT, shall become Department property and the RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Despite the above, the RECIPIENT shall not be relieved of any liability to the DEPARTMENT for damages sustained by the DEPARTMENT and/or the State of Washington because of any breach of LOAN agreement by the RECIPIENT. The DEPARTMENT may withhold payments for the purpose of setoff until such time as the exact amount of damages due the DEPARTMENT from the RECIPIENT is determined.

2. **Insufficient Funds.** The obligation of the DEPARTMENT to make payments is contingent on the availability of state and federal funds through legislative appropriation and state allotment. When this LOAN agreement crosses over state fiscal years the obligation of the DEPARTMENT is contingent upon the appropriation of funds during the next fiscal year. The failure to appropriate or allot such funds shall be good cause to terminate this LOAN agreement as provided in paragraph K.1 above.

When this LOAN agreement crosses the RECIPIENT's fiscal year, the obligation of the RECIPIENT to continue or complete the project described herein shall be contingent upon appropriation of funds by the RECIPIENT's governing body; provided, however, that nothing contained herein shall preclude the DEPARTMENT from demanding repayment of ALL funds paid to the RECIPIENT in accordance with Section O herein.

3. **Failure to Commence Work.** In the event the RECIPIENT fails to commence work on the project funded herein within four months after the effective date of this LOAN agreement, or by any date agreed upon in writing for commencement of work, the DEPARTMENT reserves the right to terminate this LOAN agreement.

L. WAIVER

Waiver of any RECIPIENT default is not a waiver of any subsequent default. Waiver of a breach of any provision of this LOAN agreement is not a waiver of any subsequent breach and will not be construed as a modification of the terms of this LOAN agreement unless stated as such in writing by the authorized representative of the DEPARTMENT.

M. PROPERTY RIGHTS

1. **Copyrights and Patents.** When the RECIPIENT creates any copyrightable materials or invents any patentable property, the RECIPIENT may copyright or patent the same but the DEPARTMENT retains a royalty-free, nonexclusive and irrevocable license to reproduce, publish, recover or otherwise use the material(s) or property and to authorize others to use the same for federal, state or local government purposes. Where federal funding is involved, the federal government may have a proprietary interest in patent rights to any inventions that are developed by the RECIPIENT as provided in 35 U.S.C. 200-212.
2. **Publications.** When the RECIPIENT or persons employed by the RECIPIENT use or publish information of the DEPARTMENT; present papers, lectures, or seminars involving information supplied by the DEPARTMENT; use logos, reports, maps or other data, in printed reports, signs, brochures, pamphlets, etc., appropriate credit shall be given to the DEPARTMENT.

3. Tangible Property Rights. The DEPARTMENT's current edition of "Administrative Requirements for Ecology Grants and Loans", Part V, shall control the use and disposition of all real and personal property purchased wholly or in part with funds furnished by the DEPARTMENT in the absence of state, federal statute(s), regulation(s), or policy(s) to the contrary or upon specific instructions with respect thereto in the Scope of Work.
4. Personal Property Furnished by the DEPARTMENT. When the DEPARTMENT provides personal property directly to the RECIPIENT for use in performance of the project, it shall be returned to the B-4 DEPARTMENT prior to final payment by the DEPARTMENT. If said property is lost, stolen or damaged while in the RECIPIENT's possession, the DEPARTMENT shall be reimbursed in cash or by setoff by the RECIPIENT for the fair market value of such property.
5. Acquisition Projects. The following provisions shall apply if the project covered by this LOAN agreement includes funds for the acquisition of land or facilities:
 - a. Prior to disbursement of funds provided for in this LOAN agreement, the RECIPIENT shall establish that the cost of land/or facilities is fair and reasonable.
 - b. The RECIPIENT shall provide satisfactory evidence of title or ability to acquire title for each parcel prior to disbursement of funds provided by this LOAN agreement. Such evidence may include title insurance policies, Torrens certificates, or abstracts, and attorney's opinions establishing that the land is free from any impediment, lien, or claim which would impair the uses contemplated by this LOAN agreement.
6. Conversions. Regardless of the contract termination date shown on the cover sheet, the RECIPIENT shall not at any time convert any equipment, property or facility acquired or developed pursuant to this LOAN agreement to uses other than those for which assistance was originally approved without prior written approval of the DEPARTMENT. Such approval may be conditioned upon payment to the DEPARTMENT of that portion of the proceeds of the sale, lease or other conversion or encumbrance which monies granted pursuant to this LOAN agreement bear to the total acquisition, purchase or construction costs of such property.

N. SUSTAINABLE PRODUCTS

In order to sustain Washington's natural resources and ecosystems, the RECIPIENT is encouraged to implement sustainable practices where and when possible. These practices include use of clean energy, and purchase and use of sustainably produced products (e.g., recycled paper). For more information, see <http://www.ecy.wa.gov/sustainability/>.

O. RECOVERY OF PAYMENTS TO RECIPIENT

The right of the RECIPIENT to retain monies paid to it as reimbursement payments is contingent upon satisfactory performance of this LOAN agreement including the satisfactory completion of the project described in the Scope of Work. In the event the RECIPIENT fails, for any reason, to perform obligations required of it by this LOAN agreement, the RECIPIENT may, at the DEPARTMENT's sole discretion, be required to repay to the DEPARTMENT all grant/LOAN Funds disbursed to the RECIPIENT for those parts of the project that are rendered worthless in the opinion of the DEPARTMENT by such failure to perform. Interest shall accrue at the rate of twelve percent (12%) per year from the time the DEPARTMENT demands repayment of funds. If payments have been discontinued by the DEPARTMENT due to insufficient funds as in Section K.2 above, the RECIPIENT shall not be obligated to repay monies which had been paid to the

RECIPIENT prior to such termination. Any property acquired under this AGREEMENT, at the option of the DEPARTMENT, may become the DEPARTMENT'S property and the RECIPIENT'S liability to repay monies shall be reduced by an amount reflecting the fair value of such property.

P. PROJECT APPROVAL

The extent and character of all work and services to be performed under this LOAN agreement by the RECIPIENT shall be subject to the review and approval of the DEPARTMENT through the Project Officer or other designated official to whom the RECIPIENT shall report and be responsible. In the event there is a dispute with regard to the extent and character of the work to be done, the determination of the Project Officer or other designated official as to the extent and character of the work to be done shall govern. The RECIPIENT shall have the right to appeal decisions as provided for below.

Q. DISPUTES

Except as otherwise provided in this LOAN agreement, any dispute concerning a question of fact arising under this LOAN agreement which is not disposed of in writing shall be decided by the Project Officer or other designated official who shall provide a written statement of decision to the RECIPIENT. The decision of the Project Officer or other designated official shall be final and conclusive unless, within thirty days from the date of receipt of such statement, the RECIPIENT mails or otherwise furnishes to the Director of the DEPARTMENT a written appeal. In connection with appeal of any proceeding under this clause, the RECIPIENT shall have the opportunity to be heard and to offer evidence in support of this appeal. The decision of the Director or duly authorized representative for the determination of such appeals shall be final and conclusive. Appeals from the Director's determination shall be brought in the Superior Court of Thurston County. Review of the decision of the Director will not be sought before either the Pollution Control Hearings Board or the Shoreline Hearings Board. Pending final decision of dispute hereunder, the RECIPIENT shall proceed diligently with the performance of this LOAN agreement and in accordance with the decision rendered.

R. CONFLICT OF INTEREST

No officer, member, agent, or employee of either party to this LOAN agreement who exercises any function or responsibility in the review, approval, or carrying out of this LOAN agreement, shall participate in any decision which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is, directly or indirectly interested; nor shall he/she have any personal or pecuniary interest, direct or indirect, in this LOAN agreement or the proceeds thereof.

S. INDEMNIFICATION

1. The DEPARTMENT shall in no way be held responsible for payment of salaries, consultant's fees, and other costs related to the project described herein, except as provided in the Scope of Work.
2. To the extent that the Constitution and laws of the State of Washington permit, each party shall indemnify and hold the other harmless from and against any liability for any or all injuries to persons or property arising from the negligent act or omission of that party or that party's agents or employees arising out of this LOAN agreement.

T. GOVERNING LAW

This LOAN agreement shall be governed by the laws of the State of Washington.

U. SEVERABILITY

If any provision of this LOAN agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this LOAN agreement which can be given effect without the invalid provision, and to this end the provisions of this LOAN agreement are declared to be severable.

V. PRECEDENCE

In the event of inconsistency in this LOAN agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: (a) applicable Federal and State statutes and regulations; (b) Scope of Work; (c) Special Terms and Conditions; (d) Any terms incorporated herein by reference including the "Administrative Requirements for Ecology Grants and Loans"; and (e) the General Terms and Conditions.

SS-010 Rev. 04/04

Instructions for EPA FORM 4700-4 (Rev. 04/2009)

General

Recipients of Federal financial assistance from the U.S. Environmental Protection Agency must comply with the following statutes and regulations.

Title VI of the Civil Rights Acts of 1964 provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. The Act goes on to explain that the statute shall not be construed to authorize action with respect to any employment practice of any employer, employment agency, or labor organization (except where the primary objective of the Federal financial assistance is to provide employment).

Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act provides that no person in the United States shall on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under the Federal Water Pollution Control Act, as amended. Employment discrimination on the basis of sex is prohibited in all such programs or activities.

Section 504 of the Rehabilitation Act of 1973 provides that no otherwise qualified individual with a disability in the United States shall solely by reason of disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Employment discrimination on the basis of disability is prohibited in all such programs or activities.

The Age Discrimination Act of 1975 provides that no person on the basis of age shall be excluded from participation under any program or activity receiving Federal financial assistance. Employment discrimination is not covered. Age discrimination in employment is prohibited by the Age Discrimination in Employment Act administered by the Equal Employment Opportunity Commission.

Title IX of the Education Amendments of 1972 provides that no person in the United States on the basis of sex shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance. Employment discrimination on the basis of sex is prohibited in all such education programs or activities. Note: an education program or activity is not limited to only those conducted by a formal institution.

40 C.F.R. Part 5 implements Title IX of the Education Amendments of 1972.

40 C.F.R. Part 7 implements Title VI of the Civil Rights Act of 1964, Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act, and Section 504 of The Rehabilitation Act of 1973.

The Executive Order 13166 (E.O. 13166) entitled; "Improving Access to Services for Persons with Limited English Proficiency" requires Federal agencies work to ensure that recipients of Federal financial assistance provide meaningful access to their LEP applicants and beneficiaries.

Items

"Applicant" means any entity that files an application or unsolicited proposal or otherwise requests EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Recipient" means any entity, other than applicant, which will actually receive EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Civil rights lawsuits and administrative complaints" means any lawsuit or administrative complaint alleging discrimination on the basis of race, color, national origin, sex, age, or disability pending or decided against the applicant and/or entity which actually benefits from the grant, but excluding employment complaints not covered by 40 C.F.R. Parts 5 and 7. For example, if a city is the named applicant but the grant will actually benefit the Department of Sewage, civil rights lawsuits involving both the city and the Department of Sewage should be listed.

"Civil rights compliance review" means any review assessing the applicant's and/or recipient's compliance with laws prohibiting discrimination on the basis of race, color, national origin, sex, age, or disability.

Submit this form with the original and required copies of applications, requests for extensions, requests for increase of funds, etc. Updates of information are all that are required after the initial application submission.

If any item is not relevant to the project for which assistance is requested, write "NA" for "Not Applicable."

In the event applicant is uncertain about how to answer any questions, EPA program officials should be contacted for clarification.

* Questions VII – XI are for informational use only and will not affect an applicant's grant status. However, applicants should answer all questions on this form. (40 C.F.R. Parts 5 and 7).

** Note: Signature appears in the Approval Section of the EPA Comprehensive Administrative Review For Grants/Cooperative Agreements & Continuation/Supplemental Awards form.

Approval indicates, in the reviewer's opinion, questions I – VI of Form 4700-4 comply with the preaward administrative requirements for EPA assistance.

"Burden Disclosure Statement"

EPA estimates public reporting burden for the preparation of this form to average 30 minutes per response. This estimate includes the time for reviewing instructions, gathering and maintaining the data needed and completing and reviewing the form. Send comments regarding the burden estimate, including suggestions for reducing this burden, to U.S. EPA, Attn: Collection Strategies Division (MC 2822T), Office of Information Collection, 1200 Pennsylvania Ave., NW, Washington, D.C. 20460; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

The information on this form is required to enable the U.S. Environmental Protection Agency to determine whether applicants and prospective recipients are developing projects, programs and activities on a nondiscriminatory basis as required by the above statutes and regulations.

BEFORE THE BOARD OF PACIFIC COUNTY COMMISSIONERS
PACIFIC COUNTY, WASHINGTON

RESOLUTION 2011- 024

A RESOLUTION DESIGNATING THE AMERICANS WITH DISABILITIES ACT (ADA)
COMPLIANCE COORDINATOR FOR PACIFIC COUNTY AND RESCINDING
RESOLUTION 2011-011

WHEREAS, the United States Congress adopted the American with Disabilities Act of 1990 (ADA) as amended; and

WHEREAS, the ADA provides that the public entities like Pacific County, shall not exclude disabled people from participating in the county's services, programs, activities and employment, and that the County shall not discriminate against disabled people or otherwise deny the disabled the benefit of County services, programs, activities and employment; and

WHEREAS Federal regulations require that the County designate at least one County employee to coordinate the County's efforts to comply with and carry out, the County's responsibilities under the ADA; now, therefore,

BE IT HEREBY RESOLVED that Kathy Spoor, County Administrative Officer, is designated as Pacific County's ADA Compliance Coordinator and is charged with the duties contained in 28 C.F.R. Part 35, 35.107, as well as the duty of facilitating the self-evaluation process required by 35.105.

BE IT HEREBY FURTHER RESOLVED that Resolution 2011-011 is hereby rescinded and the ADA Grievance Procedure, Exhibit A (attached) be adopted in accordance to ADA Title II procedure.

PASSED by the following vote this 13th day of September 2011 by the Board of Pacific County Commissioners meeting in regular session at South Bend, Washington then signed by its membership and attested to by its Clerk in authorization of such passage;

3 YEA; 0 NAY; 0 ABSTAIN; and 0 ABSENT

BOARD OF COUNTY COMMISSIONERS
PACIFIC COUNTY, WASHINGTON

Norman B. Cuffel
Norman B. Cuffel, Chairman

Jon C. Kaino
Jon C. Kaino, Commissioner

Lisa Ayers
Lisa Ayers, Commissioner

ATTEST:

Marie Guernsey
Clerk of the Board
Deputy

Exhibit A

Pacific County ADA Grievance Procedure

SECTION 1. PURPOSE

Pacific County adopts this procedure as EXHIBIT A in Resolution 2011-024. This document is an internal grievance procedure providing for prompt and equitable resolution of complaints alleging any action prohibited by the U.S. Department of Justice regulations implementing Title II of the Americans with Disabilities Act (ADA). Title II states, in part, that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by any such entity."

SECTION 2. ADA COMPLAINTS – INVESTIGATION

Complaints should be addressed to the Pacific County ADA Coordinator, P O Box 6, South Bend, WA 98586, 360/875.9334 or 360/642.9334, who has been designated to coordinate Pacific County government ADA compliance efforts.

- A. A complaint should be filed in writing, contain the name and address of the person filing it, and briefly describe the facts of the alleged violation as well as the specific regulations alleged to be violated.
- B. A complaint should be filed within fifteen (15) days after the complainant becomes aware of the alleged violation. (Processing of allegations or discrimination which occurred before this grievance procedure was in place will be considered on a case-by-case basis)
- C. An investigation, as may be appropriate, shall follow a filing of complaint. The investigation shall be conducted by the Pacific County ADA Coordinator. These rules contemplate informal but thorough investigation, affording all interested persons and their representatives, if any, an opportunity to submit evidence relevant to the complaint.
- D. A written determination as to the validity of the complaint and a description of the resolution, if any, shall be issued by the Pacific County ADA Coordinator and a copy forwarded to the complainant and affected department head, if any, no later than five (5) days after its issuance.
- E. The Pacific County ADA Coordinator shall maintain the files and records of Pacific County relating to the complaints filed.



United States Department of Agriculture
Rural Development
Olympia Area Office

November 8, 2010

Attention: Kathy Noren
Pacific County
PO Box 187
South Bend, WA 98586

RECEIVED
PACIFIC COUNTY

NOV 10 2010

GENERAL ADMINISTRATION
BOARD OF COMMISSIONERS

RE: Civil Rights Compliance Review

Dear Kathy,

Thank you for meeting with me on November 1, 2010. I am pleased to inform you that Pacific County is in compliance with the terms of the Assurance Agreement (RD form 400-4) executed in conjunction with the RD funds awarded for the Menlo fairgrounds project and the Eklund Park sewer project.

Please note the following items:

Applications for Employment and Other Services.

Title VI of the Civil Rights Act of 1964 and U.S. Department of Agriculture (USDA) implementing regulation 7 C.F.R. 15, requires recipients of Federal financial assistance to collect and maintain data on the race, ethnicity, and sex of beneficiaries of Federally-assisted programs and activities. As a recipient of Federal assistance, you are required to collect this information. In the past the County provided evidence of compliance with the EEO-4 Employment Data report. The enclosed form can also be used to collect this information. You can also provide us with this information based on your personal knowledge, surname, and visual observation.

Thank you so very much for your time. If you have any questions, please do not hesitate to contact me.

Sincerely,

DEBORAH E. HARPER
Community Programs Specialist



United States Department of Agriculture
Rural Development
Olympia Area Office

September 20, 2011

Attention: Kathy Noren
Pacific County
PO Box 187
South Bend, WA 98586

RECEIVED
PACIFIC COUNTY

SEP 22 2011

GENERAL ADMINISTRATION
BOARD OF COMMISSIONERS

RE: Civil Rights Compliance Review

Dear Kathy,

Thank you for meeting with me on September 1, 2011. I am pleased to inform you that Pacific County is in compliance with the terms of the Assurance Agreement (RD form 400-4) executed in conjunction with the RD funds awarded for the Sheriff vehicle.

Please note the following items:

Applications for Employment and Other Services.

Title VI of the Civil Rights Act of 1964 and U.S. Department of Agriculture (USDA) implementing regulation 7 C.F.R. 15, requires recipients of Federal financial assistance to collect and maintain data on the race, ethnicity, and sex of beneficiaries of Federally-assisted programs and activities. As a recipient of Federal assistance, you are required to collect this information. In the past the County provided evidence of compliance with the EEO-4 Employment Data report. The enclosed form can also be used to collect this information. You can also provide us with this information based on your personal knowledge, surname, and visual observation.

Thank you so very much for your time. If you have any questions, please do not hesitate to contact me.

Sincerely,

DEBORAH E. HARPER
Community Programs Specialist

1835 Black Lake Blvd SW • Suite C • Olympia, WA 98512-5716
Phone: (360) 704-7764 • FAX: (360) 704-7775 • TTY: (360) 704-7772
Web: <http://www.rurdev.usda.gov/wa/>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W.
Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 795-6382 (TDD).

DATE OF REVIEW 09-01-2011	COMPLIANCE REVIEW (Nondiscrimination by Recipients of Financial Assistance through U. S. Department of Agriculture)	STATE WA
SOURCE OF FUNDS <input checked="" type="checkbox"/> Direct <input type="checkbox"/> Insured		COUNTY Pacific
		CASE NUMBER 56-025-916001356
		DATE LOAN OR GRANT CLOSED <i>one award</i>

TYPE OF ASSISTANCE	<input type="checkbox"/> Water and Waste Disposal Loan or Grant	<input type="checkbox"/> RRH and LH Organization
<input type="checkbox"/> Housing Preservation Grant	<input type="checkbox"/> Grazing Association	<input type="checkbox"/> Intermediary Relending Program
<input type="checkbox"/> RBEG	<input type="checkbox"/> EO Cooperative	<input type="checkbox"/> Rural Housing Site Loans
<input type="checkbox"/> RBOG	<input checked="" type="checkbox"/> Community Facilities	<input type="checkbox"/> Cooperative Service
<input type="checkbox"/> B&I Loans	<input type="checkbox"/> RMAP	<input type="checkbox"/> Other

NAME OF BORROWER ORGANIZATION OR ASSOCIATION
Pacific County

ADDRESS OF BORROWER
PO Box 187, South Bend, WA 98586

I. STATISTICAL INFORMATION

(For the purpose of this report, the term "PARTICIPANTS" will be used to describe "USER," "MEMBERS," OCCUPANTS," "SITE PURCHASER" OR Potential Users for pre-loan closing compliance reviews, as applicable.)

2000 Census

A(1).

ETHNICITY	POPULATION		PARTICIPANTS			
	No.	%	THIS REVIEW		LAST REVIEW	
Hispanic or Latino	500	4	500	4	 	
Not Hispanic or Latino	13469	96	13469	96		
TOTAL	13969	100%	13969	100		
MALE						
FEMALE						

According to the paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a persons is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0018 and 0570-0062. The time required to complete this information collection is estimated to average 8 hours per response, including the time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

2000
Census

A(2).

POPULATION

PARTICIPANTS

THIS REVIEW LAST REVIEW

RACE	No.	%	No.	%	No.	%
American Indian/ Alaskan Native	338	2	338	2		
Asian	244	2	244	2		
Black or African American	26	0	26	0		
Native Hawaiian or Other Pacific Islander	10	0	10	0		
White	12,965	96	12,965	96		
TOTAL	13,469	100%	13,469	100%		100%
Male						
Female						

A(3).

County

EMPLOYEES

MALE FEMALE

ETHNICITY	No.	%	No.	%	No.	%
Hispanic or Latino	2	1	2	100	0	0
Not Hispanic or Latino	198	99	96	49	102	51
TOTAL	200	100	98	49	102	51

N/A

BOARD OF
DIRECTORS

MALE FEMALE

ETHNICITY	No.	%	No.	%	No.	%
Hispanic or Latino						
Not Hispanic or Latino						
TOTAL						

Commissioners
are elected

County

N/A

A (3). cont.

EMPLOYEES

BOARD OF DIRECTORS

RACE	MALE		FEMALE		MALE		FEMALE	
	No.	%	No.	%	No.	%	No.	%
American Indian Alaskan Native	3	2	0		3			
Asian	4	2	1		3			
Black or African American	0	0	0	0	0	0		
Native Hawaiian or Other Pacific Islander	0	0	0	0	0	0		
White	191	96	93	49	98	51		
TOTAL	198	100	94	48	104	52		

RACE	MALE		FEMALE		MALE		FEMALE	
	No.	%	No.	%	No.	%	No.	%
American Indian Alaskan Native								
Asian								
Black or African American								
Native Hawaiian or Other Pacific Islander								
White								
TOTAL								

II. APPLICATION INFORMATION (Project, Facility, Complex or Lender)

B(1).

ETHNICITY	Number of Applications Received		Last Review		Number of Applications Approved		Number of Applications Rejected		No. of Applications Withdrawn	
	No.	%	No.	%	No.	%	No.	%	No.	%
Hispanic or Latino										
Not Hispanic or Latino										
TOTAL										
TOTAL	Male									
	Female									

The Pacific County Sheriff Department does not process applications for emergency services.

Number of
Applications Received

Number of
Applications Approved

Number of
Applications Rejected

Number of
Applications Withdrawn

This Review Last Review

RACE	Number of Applications Received		Number of Applications Approved		Number of Applications Rejected		Number of Applications Withdrawn	
	No.	%	No.	%	No.	%	No.	%
American Indian/ Alaskan Native								
Asian								
Black or African American								
Native Hawaiian or Other Pacific Islander								
White								
TOTAL								
TOTAL	Male							
	Female							

A. Are racial and gender of the participants and the number of employees in proportion to the population percentages?
 participants are everyone in the Pacific County jurisdiction YES NO

B. Number of participants as of last review: _____ Date of last review: _____

C. Are all interested individuals permitted to file an application (written or otherwise) for participation?..... YES NO
 If "NO" explain why not: N/A

D. Does or will recipient of financial assistance maintain adequate records on the receipt and disposition of applications, including a list of applicants wishing to become participants?..... YES NO
 If "NO" what action is being taken to establish adequate records: _____

If "YES" number of applicants wishing to become participants on list
 Number on list from minority group
 The list of the applicants will include ethnicity, race, and gender of potential applicants.

E. Number of applications received from prospective participants since last review: Total

If zero skip to III.
 From minority group applicants

F. Number of applications which have been withdrawn since last review: Total
 Number of applications which have been rejected since last review: Total
 From minority group applicants

G. Number of applications now pending on which no action has been taken: Total
From minority group applicants.....

III. LOCATION OF THE FACILITY

A. Does the location of the facility or complex have the effect of denying access to any person on the basis of race, color, national origin, age, sex, or disability? YES NO

B. Describe the racial makeup of the area surrounding the facility (if area is not the same as population).

predominately white

IV. USE OF SERVICES AND FACILITIES

A. Are all participants required to pay the same fees, assessments, and charges per unit for the use of the facilities?..... YES NO

If "NO", explain: _____

B. Explain how charges for services, i.e., rent, connection, and user fees are assessed.

charges are assessed equally to all offenders

C. Is the use of the services or the facilities restricted in any manner because of race, color, or national origin?..... YES NO

If "YES", explain: _____

D. Is there evidence that individuals, in a protected class, are provided different services, charged different or higher rate amounts than others? YES NO

If "YES", explain: _____

E. List the methods used by the recipient to inform the community of the availability of services or benefits of the facility. (newspaper, radio, tv, etc.).

website

F. Do these methods reach the minority group population equally with the rest of the community? YES NO

G. Are appropriate Equal Opportunity posters conspicuously displayed? (And Justice For All and the Fair Housing poster)

..... YES NO

H. Do written materials, i.e., ads, pamphlets, brochures, handbooks and manuals, have a nondiscrimination statement, Fair Housing, and/or accessibility logo or Equal Opportunity statement? YES NO

I. Describe the efforts of the recipient to attract minorities, females, and persons with disabilities to serve on the advisory board, board of directors, or similar boards.

N/A

J. Indicate whether the facility is being properly maintained and whether services are provided on a timely basis.

yes

K. Describe any restrictions that may exist on the use of the facility, i.e., no playgrounds for children; restrictions on use by minorities, segregated or prohibited by age or disability of tenant or other participants.

none

L. If participation is restricted by age of beneficiary, please indicate any Federal statute, or state or local ordinance which may permit such restrictions.

N/A

M. How does this facility compare-with other similar facilities in the area serving low income beneficiaries which are privately or federally financed by other agencies.

Similar

Answer N for RRH and LH only:

N. Does the organization's Operating Rules provide for standard reasons for eviction? YES NO

If "YES," specify: _____

Are these reasons stipulated in the Lease Agreements? YES NO

If not, how are they made known to participants? _____

V. ACCESSIBILITY REQUIREMENTS (DISABILITY)
(For All Programs Funded By Rural Development)

A. Does the facility or project have an accessible route through common use areas? YES NO

B. Has a self-evaluation for Section 504 of the Rehabilitation Act been conducted and a transition plan developed for all structural barriers? YES NO

C. Does this facility or project have a Telecommunication Device for the Deaf (TDD) or participate in a relay service? YES NO

If not, is this part of the self-evaluation and transition plan? YES NO

D. Describe reasonable accommodations made by the recipient for making the program accessible to individuals with disabilities.

has an ADA staff person. provides reasonable accommodations notices.

VI. ACCESSIBILITY REQUIREMENTS FOR RURAL RENTAL HOUSING

A. Does the complex meet the 5% accessibility requirement of 504 of the Rehabilitation Act of 1973 for facilities built after June 1982? YES NO

B. Are the units occupied by persons with disabilities in need of the special design features? YES NO

C. If not, indicate what outreach has been conducted utilizing appropriate organizations and advertising to reach the individuals in need of such units.

VII. ACCESSIBILITY REQUIREMENTS FOR COMMUNITY FACILITIES
(Health Care Facilities)

- A. List methods used by health care providers to communicate with the hearing impaired in the emergency room.
- B. List methods used to communicate waivers and consent to treatment requirements to persons with disabilities, including those with impaired sensory or speaking skills.
- C. Are there restrictions in delivery of services for the treatment of alcohol, drug addiction or other related illnesses?
(Aids, Hepatitis) YES NO

VIII. COMPLEXES AND FACILITIES THAT PROVIDE HOUSING
(Nursing Homes, Retirement Group, Rural Rental)

- A. Does the facility have an approved Affirmative Fair Housing Marketing Plan? YES NO
- B. Is there a copy of the most recently approved plan being used and conspicuously posted? YES NO
- C. Is management meeting the objectives of the plan? YES NO
- If not, is there an updated plan in place? _____

IX. PROGRAMS THAT CREATE EMPLOYMENT

- A. Is there evidence that individuals in a protected class are required to meet different employment selection criteria than non-minorities? YES NO
- B. Is there evidence that individuals of a protected class are being terminated in a disproportionate rate than non-minority employees? YES NO
- C. Do recipients that employ fifteen or more persons have a designated person to coordinate its efforts to comply with Section 504 of the Rehabilitation Act of 1973? YES NO
- D. Has the recipient provided reasonable accommodations to the known physical or mental impairment of employees with disabilities? YES NO

X. CONTACTS WITH INDIVIDUALS AFFILIATED WITH THE FACILITY OR COMPLEX

- A. List contacts made with a diverse selection of tenants, users, patients, employees, and others affiliated with the facility or complex. List by name, race, sex, and disability (if provided).

Kathy Noren, Clerk to the Board of Commissioners

- B. Summarize comments made by the person(s) contacted.

no discrimination noted

XI. COMMUNITY CONTACTS

A. List contacts made with community leaders and organizations representing minorities, females, families with children, and individuals with disabilities. Include the date and the method of contact.

Kathy Noren
See attached

B. Summarize comments made by person(s) contacted.

no discrimination noted

XII. PAST ASSISTANCE FROM RD OR OTHER FEDERAL AGENCY

A. List past loans or other federal financial assistance from other agencies.

DOJ, FEMA, HUD,

B. Does the recipient have a pending application with RD or another Federal agency?

..... YES NO

DOJ

XIII. CIVIL RIGHTS COMPLIANCE HISTORY

Provide a history of the following:

A. Compliance Review. Has this recipient had a finding of non-compliance by RD or another federal agency?

..... YES NO

B. Discrimination Complaints. Has a complaint of prohibited discrimination been filed against this recipient in the past three (3) years?

..... YES NO

C. Law Suit. Has a law suit based on prohibited discrimination been filed against this recipient in the past three (3) years? If so, describe and attach copies of the law suit.

..... YES NO

D. Did the recipient take appropriate corrective or remedial action to achieve compliance with civil laws or to resolve any discrimination complaint cases or law suits?

..... YES NO

WIA

E. Identify the resources and or contacts used in verifying the recipient's past civil rights compliance history.

County Clerk

XIV. CONCLUSIONS

A. Did your review of the records maintained by the association or organization disclose any evidence of discrimination on the grounds of race, color, national origin, sex, age, or disability in the services or use of the facility? YES NO
If "YES," describe in detail such discrimination:

B. Did your contacts with community leaders, including minority leaders, disclose any evidence of discrimination as to race, color, national origin, sex, age, or disability in the services or use of the facility? YES NO

C. Did your observation of this borrower's operations or proposed operations indicate any discrimination on the grounds of race, color, national origin, sex, age, or disability in the services or use of the facility? YES NO
If "YES," describe in detail such discrimination:

D. Comments for other observations or conclusions:

no discrimination noted

Based upon my observation of this borrower's operation or proposed operation and the attitude of the Governing Body and Officials it is my opinion that the Recipient Is Is Not complying with the requirements under Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Age Discrimination Act of 1975, and Title IX of the Education Amendments Act of 1972.

9-1-11
DATE

Orbital E. Hassan
COMPLIANCE REVIEW OFFICER

XV. RECIPIENT IS IN NON-COMPLIANCE (Complete only if there is a finding of non-compliance)

A. Sent recipient notice of non-compliance on this date _____.

B. Date of compliance meeting _____.

C. Target date for recipient to voluntarily comply _____.

D. Recipient has complied with all requirements and made all necessary corrective action by this date _____.

E. Describe all meetings with recipient to achieve compliance.

F. Recipient has refused to voluntarily comply by this date _____.

G. Comments: