



CITY OF LA PINE CITY COUNCIL AGENDA

Wednesday, February 27th, 2019

5:30 p.m. Regular Session

La Pine City Hall

16345 Sixth Street, La Pine, Oregon 97739

1. Call to Order
2. Establish Quorum
3. Pledge of Allegiance
4. Added Agenda Items

Any matters added to the Agenda at this time will be discussed during the “Other Matters” portion of this Agenda or such time selected by the City Council
5. Public Comments
6. Consent Agenda

Information concerning the matters listed within the Consent Agenda has been distributed to each member of the City Council for reading and study, is considered to be routine, and will be enacted or approved by one motion of the City Council without separate discussion. If separate discussion is desired concerning a particular matter listed within the Consent Agenda, that matter may be removed from the Consent Agenda and placed on the regular agenda by request of any member of the City Council.

 - a. Approval of Council Minutes
 - i. February 13, 2019 Meeting Minutes
 - b. Reimbursements
 - i. Approval of Council and Staff Reimbursements
7. Action on American Leadership Forum Payment
8. Appointment of Public Works Committee Members
9. Citizen Input Regarding Concerns of Harassment, Intimidation and Bullying in Violation of Rights – Citizens Mike Love and Phil Klug

10. Community Funding Request
 - a. La Pine Middle School Lego Robotics Club
 - b. Citizen Input on The Wall That Heals – Michele Hoffman
11. Discussion on Frontier Days Land Use – Ann Gawith Presentation
12. Revised EDCO Memorandum of Understanding (Action Item)
13. Expenditure of Additional Community Development Block Grant Funds for Newberry Lift Station (Action Item)
14. Update on Sewer Loan with Deschutes County
15. Review of Council Goals and Objectives FY 2019-20
16. Other Matters: Only those matters properly added to this Agenda under line item No. 4
17. Public Comments
18. Staff Comments
19. Mayor and Council Comments
20. Adjourn Meeting

Pursuant to ORS 192.640, this notice includes a list of the principal subjects anticipated to be considered or discussed at the above-referenced meeting. This notice does not limit the ability of the City Council to consider or discuss additional subjects. This meeting is subject to cancellation without notice. The regular meeting is open to the public and interested citizens are invited to attend. The public will not be permitted to attend the executive session; provided, however, representatives of the news media and designated staff will be allowed to attend the executive session. Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the executive session as previously announced. No decision will be made in the executive session. The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to Tracy Read (541-536-1432). For deaf, hearing impaired, or speech disabled dial 541-536-1432 for TTY.



L A P I N E
O R E G O N

CITY OF LA PINE CITY COUNCIL – MEETING MINUTES
Wednesday, February 13, 2019
5:30 p.m. Regular Session
La Pine City Hall
16345 Sixth Street, La Pine, Oregon 97739

1. Call to Order
Meeting called to order at 5:30 p.m. by Mayor Daniel Richer

2. Establish Quorum
Present: Mayor Daniel Richer, Councilor Connie Briese, Councilor Don Greiner, Councilor Michael Harper, Councilor Mike Shields
Absent without prior arrangement: Student Councilor Trentyn Tennant
Staff Present: City Manager Melissa Bethel, Public Works Manager Jake Obrist, Accounting Clerk Tracy Read

3. Pledge of Allegiance
Led by Council.

4. Added Agenda Items
Any matters added to the Agenda at this time will be discussed during the "Other Matters" portion of this Agenda or such time selected by the City Council.

5. Public Comments
 - a. Bea Chapman, La Pine resident and Rotary Club member; stated Finley Butte Park is being renamed, Rotary will request funding for Music in the Pines. Bea also requested Council consider service signage in La Pine.
 - b. Phil Klug and Mike Love, La Pine residents – concerns regarding local law enforcement, they feel there is bullying occurring. Mayor Richer asked that they request to be placed on the Agenda for the next Regular Session to address their concerns.

6. Consent Agenda
Information concerning the matters listed within the Consent Agenda has been distributed to each member of the City Council for reading and study, is considered to be routine, and will be enacted or approved by one motion of the City Council without separate discussion. If separate discussion is desired concerning a particular matter listed within the Consent Agenda, that matter may be removed from the Consent Agenda and placed on the regular agenda by request of any member of the City Council.
 - a. Approval of Council Minutes
 - i. January 07, 2019 Meeting Minutes

- ii. January 23, 2019 Meeting Minutes
- b. Acknowledgement of Committee Meeting Minutes
 - i. December 4, 2018 Urban Renewal
- c. Reimbursements
 - i. Approval of Council and Staff Reimbursements
 - ii. Approval of American Leadership Forum Payment
- d. Financial Reports
 - i. Approval of Financial Reports

Motion to accept the Consent Agenda by Councilor Greiner with the exception of the payment to American Leadership Forum and a spelling correction to January 7 meeting minutes. He requested the American Leadership Forum be added to the Agenda for the next Regular Session meeting. Seconded by Councilor Briese.

Roll call vote, all in favor. Unanimously approved.

7. Community Funding Requests

- a. Memo from Accounting Clerk re Funds Availability
 - i. Deschutes County Fair & Rodeo
 - ii. Younity – April McDaniel spoke in support of the request

Motion to approve by Councilor Harper, seconded by Councilor Shields.

Roll call vote, all in favor. Unanimously approved.

8. Action on EDCO Contract and Area Director Replacement

Roger Lee of EDCO gave a presentation outlining the 4 options available.

There was discussion regarding the need for more communication from EDCO going forward. Additional discussion was held regarding previous development efforts and the challenges presented by EDCO staff turnover. Roger stated La Pine branding was a part of the initial work as well as outreach to local businesses, sharing resources with Deschutes County, and expanding the enterprise zone. He will also continue work on the Biogreen project, looking for a way to move it forward. Vic Russell stated he is confident that local businesses will fulfill their financial commitments. He feels one of the biggest challenges is building space for new businesses to provide more living wage jobs.

Councilor Harper made a Motion to approve the City of La Pine hire a full-time Sunriver/La Pine Economic Development Director through our contract with EDCO, which will result in an increase in investment of an additional \$3,000 this fiscal year for a total contribution of \$28,000, and an increase to total investment of \$35,000 for the 2019/2020 fiscal year. Seconded by Councilor Greiner. Unanimously approved pending modifications to the MOU. Melissa stated an amended MOU will be presented at the next Council meeting.

9. Action on Resolution No. 2019-03: 2018-2019 City Council Goals, Mission and Vision Statement

Discussion requesting a report of where Council is to date, what goals have been accomplished and what remains. Melissa will prepare a report for the next meeting.

Motion to approve by Councilor Briese, seconded by Councilor Greiner.

Roll call vote, all in favor. Unanimously approved.

10. Action on Resolution No. 2019-04: A Resolution Amending Resolution No. 2011-13, a Resolution Creating City of La Pine's Public Works Advisory Committee to Change the Committee's Membership and Establish the Existing Committee Members' Terms of Office

Jake provided an oral staff report. Motion to approve by Councilor Harper, seconded by Councilor Greiner.

Roll call vote, all in favor. Unanimously approved.

11. Other Matters: Only those matters properly added to this Agenda under line item No. 4

None.

12. Public Comments

None.

13. Staff Comments

- a. Melissa: February 27 will be a Regular Session. There will be a joint meeting with County Commissioners on March 12. The EDCO Annual Luncheon is tomorrow, Councilor Harper will attend on behalf of the City. LOC Spring Conference will be April 12 in Ashland. Melissa asked for council thoughts on attendance. Melissa, Councilor Briese and Councilor Harper will attend. Melissa provided an update on the work of the Urban Renewal Agency and presented the storefront renewal program flyers. She will speak on this at the Chamber breakfast this Friday. She also asked everyone to like us on Facebook if they have not already and praised Kelly's work on doing such an outstanding job keeping the site current and informative.
- b. Jake: Asked for patience as crews deal with the snow, provided an update on the ongoing wastewater expansion program.
- c. Tracy: The Oregon Department of Revenue is hosting a Local Budget class in Sisters on February 26; she and Melissa will attend. Reviewed realignment of some of Kelly and Tracy's duties. The new utility billing date change has gone smoothly.

14. Council & Mayor Comments

Councilor Briese: Attended the COIC meeting last week; she provided an update regarding funding, plans for a regional emergency training facility in Redmond, and discussions regarding preparation for a Cascadian event.

Councilor Shields: None.

Councilor Greiner: Good, productive meeting. Thanked everyone for attendance and encouraged community members to continue to attend even if they do not have a topic to address.

Councilor Harper: Attended City Day at the Capitol and provided a summary of the day's activities. Attended the Urban Renewal meeting on February 5, is excited about the progress being made.

Mayor Richer: Apologized that he missed the COCO meeting due to a family emergency.

15. Adjourn Meeting

Mayor Richer adjourned the meeting at 7:22 p.m.

Attest

Melissa Bethel, City Manager

CITY OF LA PINE

NAME: Connie Briesel DATE SUBMITTED 2/13/19

While conducting authorized City business, I the undersigned, properly incurred the following expenses. I now request reimbursement:

1. TRANSPORTATION EXPENSES (explain purpose, City, State, date of mtg)

2/7/19 COIC Board mtg. Redmond, OR

AUTOMOBILE

MILEAGE: 90 MILES @ 0.58 ~~0.546~~ = \$ 52.20

2. LODGING/MEALS (explain purpose/meeting/dates)

A. Lodging for _____ nights (attach receipts)

B. Meals for _____ (whom)

Location (attach receipts) _____ Date _____

3. PURCHASES (food, supplies and materials) (attach receipts)

TOTAL REIMBURSEMENT \$ 52.20

Approved by City Staff [Signature]

[Signature]
Signature of Submitter of Form

CITY OF LA PINE

NAME: Michael Harper DATE 2/12/19

While conducting authorized City business, I the undersigned, properly incurred the following expenses. I now request reimbursement:

1. TRANSPORTATION EXPENSES (explain purpose, City, State, date of mtg)

LOC Conference Sisters, OR 1/10/19

AUTOMOBILE

MILEAGE: 104 MILES @ 0.58 = \$ 60.32

2. LODGING/MEALS (explain purpose/meeting/dates)

A. Lodging for _____ nights (attach receipts)

B. Meals for _____ (whom)

Location (attach receipts) Date

3. PURCHASES (food, supplies and materials) (attach receipts)

TOTAL REIMBURSEMENT \$ 60.32

Approved by City Staff B

Michael Harper
Signature of Submitter of Form

CITY OF LA PINE

NAME: Michael Harper DATE 2/9/19

While conducting authorized City business, I the undersigned, properly incurred the following expenses. I now request reimbursement:

1. TRANSPORTATION EXPENSES (explain purpose, City, State, date of mtg)

LOC City Day at the Capitol Salem, OR
1/24/19

AUTOMOBILE

MILEAGE: 342 MILES @ 0.58 = \$ 198.36

2. LODGING/MEALS (explain purpose/meeting/dates)

A. Lodging for _____ nights (attach receipts)

B. Meals for _____ (whom)

Location (attach receipts) Date

3. PURCHASES (food, supplies and materials) (attach receipts)

TOTAL REIMBURSEMENT \$ 198.36

Approved by City Staff B

Michael Harper
Signature of Submitter of Form



AMERICAN LEADERSHIP FORUM OF OREGON

#664 7

American Leadership Forum of Oregon
221 NW Second Ave
Portland, OR 97209
Ph: 503.636.2288
Fax: 503.220.1335
Email: info@alfo.org

Invoice

Bill To: City of LaPine
Re: Cory Misley tuition

Invoice Date: Nov. 19, 2018

Due Date: Dec. 19, 2018

Date	Description	Total
Nov. 19, 2018	ALF Class 36 Tuition	\$2,000.00

Total due: \$2,000.00

Make check/money order payable to: American Leadership Forum of Oregon
Or pay by credit card at the following link: www.alfo.org/supportALF

Thank you!



POSTED

Acct 105202700 \$ 2000.00
 Acct _____ \$ _____
 Acct _____ \$ _____
 Approved _____ zy _____
 Date _____ Ck# _____

Handwritten signature/initials in a circle.

per Cory all City Council was asked (but not brought before w a meeting)

Federal Tax ID#: 94-3106407

Melissa Bethel

From: Cory Miskey <cmiskey@gmail.com>
Sent: Monday, December 17, 2018 1:37 PM
To: Melissa Bethel
Cc: Tracy Read
Subject: Re: Invoice for ALF

Hey thanks for the message! It's been a whirlwind but so far so good. Hope everything is going well down there (I am still driving from and back to La Pine everyday lol).

I received a thumbs up from every Council member I believe. I have emails from Connie and Don, and I spoke with Dennis extensively about it. This was all the way back in May. I received \$7,000 in scholarship, \$1,000 out of my own pocket, and the City as picking up the other 20%. It was never a formal agenda item/motion/vote type of things. I thought before I left that it was slated to go into the bills for 12/12 but I guess not. Let me know if you need anything else from me.

Missed you at the COCO meeting but I know at this stage the regional stuff is low priority. Miss you all, talk soon.

Best,

Cory

On Mon, Dec 17, 2018 at 10:56 AM Melissa Bethel <mbethel@lapineoregon.gov> wrote:

Hi Cory,

Hope all is going well for you at Sisters! Hey, we have an invoice for the American Leadership Forum here (\$2,000) for you and we can't find any supporting minutes or documents which show Council approval... Do you remember anything about it or when this was approved?

Thanks,



Melissa Bethel
Community Development Director
City Hall: 541-536-1432
16345 Sixth St. La Pine, OR 97739
www.lapineoregon.gov



City of La Pine

Advisory Committee Application

Which Committee would you like to apply for? Please check as many as are applicable.

- Urban Renewal Agency Board
- Planning Commission
- Public Works Committee
- City of La Pine Budget Committee (must be a City Resident)
- Urban Renewal District Budget Committee (must be a City Resident)

General Information

Name: Roy M Christiansen

Address: 52640 Day Rd.

City: LaPine State OR. Zip Code: 97739 Phone Number: 503-250-4465

Email Address: RoyMarcie at Gmail, Com.

Do you reside within the city limits of La Pine? NO

Statement indicating reason you would like to serve on this voluntary board, committee, or commission: Would

Like to Be on the Board Represent
the Cemetery Concerns

Special skills, interest, and/or hobbies that you believe would bring value to your ability to serve on this board, committee, or commission: _____

Current Occupation: Retired

Volunteer History

Other volunteer committee, board, or commission experience: _____

When: _____ Organization: _____

Type of Organization: _____

Address: _____ Phone Number: _____

Role: _____

Describe activities and achievements: _____

When: _____ Organization: _____
Type of Organization: _____
Address: _____ Phone Number: _____
Role: _____
Describe activities and achievements: _____

When: _____ Organization: _____
Type of Organization: _____
Address: _____ Phone Number: _____
Role: _____
Describe activities and achievements: _____


Other information/References

How did you hear about this position? City meeting

Do you have any neighbors, friends, or relatives presently working for the City of La Pine? ___ Yes No. If yes, please list: _____

References: Name: Bob Kolbi Number: 541-618-2961
Name: AKA Lumbini Number: 541-698-8083
Name: Bert Lundmark Number: 503-701-0490

My signature affirms that the information contained in this application is true to the best of my knowledge. I understand and agree that any misrepresentation and/or omission of facts are cause for my removal from the board, committee, or commission to which I am appointed to. I further understand and agree that City policy requires disclosure of actual or potential conflicts of interest by persons appointed by the City Council to any committee. All information and/or documentation related to service on this board, committee or commission is subject to public records law disclosure, except as otherwise provided under applicable law.

Signature:  Date: 1-15-19
Printed Name: Roy M Christiansen



City of La Pine

Advisory Committee Application

RECEIVED
JAN 15 2019
BY:.....

Which Committee would you like to apply for? Please check as many as are applicable.

- Urban Renewal Agency Board
- Planning Commission
- Public Works Committee
- City of La Pine Budget Committee (must be a City Resident)
- Urban Renewal District Budget Committee (must be a City Resident)

General Information

Name: JAMES FLEMING

Address: 50662 DEER FOREST DR.

City: LA PINE State: OR Zip Code: 97739 Phone Number: 541-350-1459

Email Address: 9FNGRS@GMAIL.COM

Do you reside within the city limits of La Pine? NO

Statement indicating reason you would like to serve on this voluntary board, committee, or commission: _____

I HAVE BEEN ON THIS COMMITTEE FOR 4 YEARS AND WOULD LIKE TO CONTINUE.

Special skills, interest, and/or hobbies that you believe would bring value to your ability to serve on this board, committee, or commission: _____

I WORKED FOR PUBLIC WORKS IN SOUTHERN CA. FOR 20 YRS

Current Occupation: RETIRED

Volunteer History

Other volunteer committee, board, or commission experience: PRESIDENT OF THE BOARD FOR

THE COMMUNITY KITCHEN, OREGON STATE COUNCIL PRESIDENT FOR VEITMAN VETERANS OF AMERICA.

When: NOW Organization: _____

Type of Organization: _____

Address: _____ Phone Number: _____

Role: _____

Describe activities and achievements: _____

When: _____ Organization: _____

Type of Organization: _____

Address: _____ Phone Number: _____

Role: _____

Describe activities and achievements: _____

When: _____ Organization: _____

Type of Organization: _____

Address: _____ Phone Number: _____

Role: _____

Describe activities and achievements: _____

Other information/References

How did you hear about this position? _____

Do you have any neighbors, friends, or relatives presently working for the City of La Pine? Yes No. If yes, please list: _____

References: Name: _____ Number: _____

Name: _____ Number: _____

Name: _____ Number: _____

My signature affirms that the information contained in this application is true to the best of my knowledge. I understand and agree that any misrepresentation and/or omission of facts are cause for my removal from the board, committee, or commission to which I am appointed to. I further understand and agree that City policy requires disclosure of actual or potential conflicts of interest by persons appointed by the City Council to any committee. All information and/or documentation related to service on this board, committee or commission is subject to public records law disclosure, except as otherwise provided under applicable law.

Signature: _____ Date: _____

Printed Name: _____



City of La Pine

Advisory Committee Application

Which Committee would you like to apply for? Please check as many as are applicable.

- Urban Renewal Agency Board
- Planning Commission
- Public Works Committee
- City of La Pine Budget Committee (must be a City Resident)
- Urban Renewal District Budget Committee (must be a City Resident)

General Information

Name: Linda E Johnston
Address: 51322 Pebble Way
City: La Pine State: OR Zip Code: 97139 Phone Number: 541 280-7480
Email Address: linda.j@highlakesreality.com
Do you reside within the city limits of La Pine? yes

Statement indicating reason you would like to serve on this voluntary board, committee, or commission:

I have served on this committee since its beginning in January 2010 and would like to continue

Special skills, interest, and/or hobbies that you believe would bring value to your ability to serve on this board, committee, or commission:

Sales - Marketing - Public Relations and networking - A positive attitude and the ability to work well with other members

Current Occupation: Real Estate Broker

Volunteer History

Other volunteer committee, board, or commission experience:

La Pine Transit Room Tax Committee From beginning to the end when it was taken over by the City of La Pine

When: 2008 - Organization: TRT committee

Type of Organization: Volunteer Committee

Address:

Phone Number:

N/A

Role:

Describe activities and achievements:

We reviewed and approved applicants - clubs & organizations to receive TRT monies

2010 - City of La Pine Charter committee:
we worked with Rick Allen to write the
original charter for the City of La Pine

2006 Graduate of Deschutes County Sheriff's
La Pine Citizens Academy / 2006

When: 2006 Organization: Sheriff's department

Type of Organization: _____

Address: Bend OR Phone Number: _____

Role: _____

Describe activities and achievements: over a series of months we were

introduced to all the services that the Sheriff's
Department provides

When: 2006 Organization: Deschutes County Sheriff's Dept

Type of Organization: La Pine Chamber of Commerce

Address: 2004-2009 La Pine Phone Number: 541 536-9771

Role: Board Member

Describe activities and achievements: _____

Other information/References

How did you hear about this position? City of La Pine

Do you have any neighbors, friends, or relatives presently working for the City of La Pine? Yes No. If yes, please
list: _____

References: Name: Ann Gawith Number: 541 536 9771

Name: Don Greiner Number: 541 536-3825

Name: Dan Varcoe Number: 541 771-

My signature affirms that the information contained in this application is true to the best of my knowledge. I understand and agree that any misrepresentation and/or omission of facts are cause for my removal from the board, committee, or commission to which I am appointed to. I further understand and agree that City policy requires disclosure of actual or potential conflicts of interest by persons appointed by the City Council to any committee. All information and/or documentation related to service on this board, committee or commission is subject to public records law disclosure, except as otherwise provided under applicable law.

Signature: Linda E Johnston Date: 2-8-19

Printed Name: Linda E Johnston



City of La Pine

Advisory Committee Application

Which Committee would you like to apply for? Please check as many as are applicable.

- Urban Renewal Agency Board
- Planning Commission
- Public Works Committee
- City of La Pine Budget Committee (must be a City Resident)
- Urban Renewal District Budget Committee (must be a City Resident)

General Information

Name: Thomas Weller
 Address: 52660 Day Road
 City: La Pine State: OR Zip Code: 97731 Phone Number: 541-519-8476
 Email Address: tweller@msec.coop
 Do you reside within the city limits of La Pine? No

Statement indicating reason you would like to serve on this voluntary board, committee, or commission:

Coordination with Midstate Electric Cooperative
Common interest in development of the
City

Special skills, interest, and/or hobbies that you believe would bring value to your ability to serve on this board, committee, or commission:

Professional Electrical Engineer

Current Occupation: Engineering Supervisor MEC

Volunteer History

Other volunteer committee, board, or commission experience: Public Works committee
2010 - Present

When: _____ Organization: City of La Pine

Type of Organization: _____

Address: _____ Phone Number: _____

Role: _____

Describe activities and achievements: _____



BY:

When: 2003 - Present Organization: Royal Rangers
Type of Organization: Youth Group La Pine Christian Center
Address: Day Rd Phone Number: 541-771-1467
Role: Senior Commander
Describe activities and achievements: 3 boys have achieved

Gold Eagle Awards
When: 2009-2011 Organization: La Pine Chamber
Type of Organization: Chamber
Address: _____ Phone Number: _____

Role: Board Member
Describe activities and achievements: Hired Ann Gay with Garwith

Other information/References

How did you hear about this position? La Pine Chamber

Do you have any neighbors, friends, or relatives presently working for the City of La Pine? Yes _____ No. If yes, please

list: Jacob Obrist

References: Name: Norm Soystra Number: 541-771-1467
Name: Jerry Oatman Number: 541-480-5867
Name: Bill Heigh Number: 541-610-4125

My signature affirms that the information contained in this application is true to the best of my knowledge. I understand and agree that any misrepresentation and/or omission of facts are cause for my removal from the board, committee, or commission to which I am appointed to. I further understand and agree that City policy requires disclosure of actual or potential conflicts of interest by persons appointed by the City Council to any committee. All information and/or documentation related to service on this board, committee or commission is subject to public records law disclosure, except as otherwise provided under applicable law.

Signature: Thomas Weller Date: 1/8/2019

Printed Name: Tom Weller

10



L A P I N E

O R E G O N

Memorandum

Date: February 22, 2019

To: La Pine City Council, Staff and Readers

From: Tracy Read

Subject: Funding Request: La Pine Middle School Lego Robotics Club

There are sufficient funds available in this General Ledger line item for this request.



CITY OF LA PINE

Community Funding Request Application

The City of La Pine may provide funding assistance to non-profits and other entities that serve the La Pine community for projects or programs based on need versus the City's financial ability to assist. **Effective immediately, all Community Funding Request Applications must be accompanied by the attached budget spreadsheet.**

Please type or print clearly:

1. Organization: La Pine Middle School Lego Robotics Club
2. Mailing Address: 16360 1st Street, LaPine OR 97339
3. Telephone No: 541 355-8200 E-mail: jennifer.mcgee@bend.k12.or.us
4. Contact Person: Jennifer McGee
5. Requested Amount: \$ 823.90 In-kind Amount \$ _____
6. Project/Purpose For Funds, including date(s): Provide more hands on programming opportunities for the students of LaPine Middle School.
7. Are you an authorized 501(c)(3) corporation by the IRS? Yes No
8. Have you sought funding from the City of La Pine in the past? Yes No
9. Were funds provided from the City of La Pine? Yes No
Amount: \$ _____ When: _____
10. Have you requested money from other sources? Yes No
If "yes," from where?
Band of Brothers. We also received an initial grant from ORTOP (Oregon Robotics Tournament & Outreach Program which helped start our club.
11. Is this a one-time request or will there be any additional funding requests for this project? Explain.
One-time request. The Robots will last over multiple years.

Staff Review: Funding Source: _____

Remaining amount if project funded: _____

Staff's recommendation to fund request: _____



LAPINE

OREGON

Budget Spreadsheet

Name of Event: _____

Income	Estimated	Actual
Event Proceeds (entry fees, ticket sales, etc.)		
TOTALS		

Extra Sales (auction, raffle, misc. sales)		
TOTALS		

Sponsorships		
TOTALS		

Donations		
TOTALS		

Expenses	Estimated	Actual
Site/Decorations (equipment, balloons, food, etc.)		
EV3 MINDSTORMS		
Education Core Set	411.95 (ea)	
	411.95	
Shipping -	0.00*	
8.00 if less than \$450		
TOTALS	823.90	

Other Expenses		
TOTALS		

	Estimated	Actual
Overall Budget		
Income		
Expenses		
Net Profit (Loss)		

HAWKTIMUS PRIME

LaPine Middle School - Lego Robotics Club

The LaPine Middle School Lego Robotic Club would like to ask the City of LaPine to support our club. We are looking to purchase two more EV3 robots to supplement our team.

History:

Our team had a successful year! We initially received a grant to purchase one LEGO® MINDSTORMS® Education EV3 Core Set (the robot), an Expansion set and the First Lego League “Into Orbit” course to help us start our journey. At our first tournament we placed in the top 6 teams selected to go to State (we won the “Robot Design” trophy). At the State Championships, we gained a lot of experience and enjoyed seeing the other teams and what they were able to do with their robots.

Now that competition season is over, we would like to continue our journey learning about, building and programming our robot to be better prepared for next year. We discovered during the season, that “Hawktimus” (our robot) was very popular and it was hard to design and test our building and programming with only one robot. Our dream would be to have 4 robots available so team members will have more access to test and experiment with building and design. We will continue to meet as a team for the rest of this school year to gain experience and prepare for next year!

We are looking for funding to purchase at least two more LEGO® MINDSTORMS® Education EV3 Core Sets at a cost of \$411.95 each. Each set will enable us to build a First Lego League (FLL) approved robot and provide all the sensors and attachments allowed at FLL events.

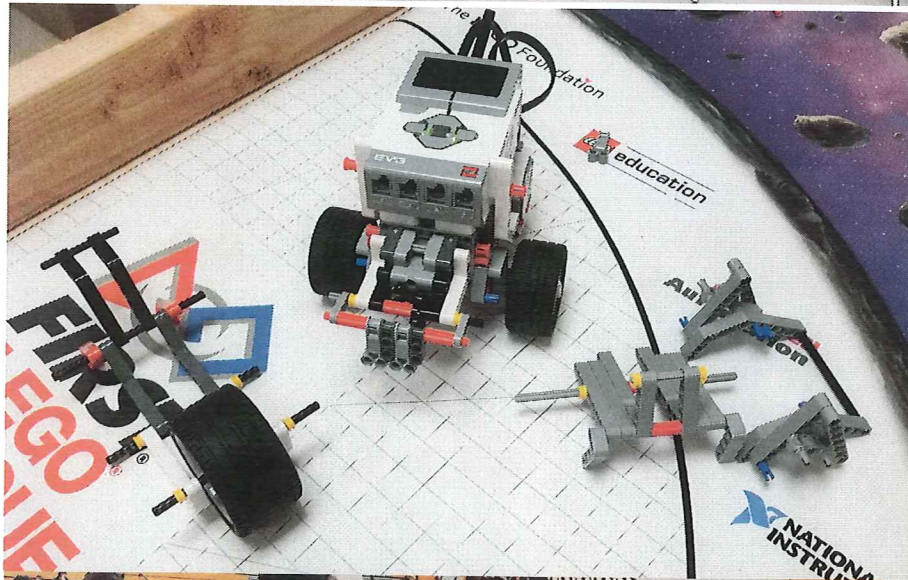
LEGO® MINDSTORMS®
Education EV3 Core Sets
\$411.95 ea.



We appreciate
any support you can offer!

HA WIKTIMUS PRIME

Competition





CITY OF LA PINE

STAFF REPORT

Meeting Date: February 27, 2019
 TO: La Pine City Council
 FROM: Melissa Bethel, Staff
 SUBJECT: EDCO MOU Revision

TYPE OF ACTION REQUESTED (Check one):

- | | | | |
|-------------------------------------|-------------------------|--------------------------|-----------------------------|
| <input type="checkbox"/> | Resolution | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | No Action – Report Only | <input type="checkbox"/> | Public Hearing |
| <input checked="" type="checkbox"/> | Formal Motion | <input type="checkbox"/> | Other/Direction: Discussion |

Councilors:

On February 13th the City Council approved the hiring of a full time Sunriver/La Pine Economic Development Director.

Pursuant to the motion, Council felt the MOU with EDCO should be updated to reflect the full-time position and reporting obligations. In addition, some clean up of dates and minor revisions to language are shown.

Suggested Motion:

I move the City of La Pine approve the revised Memorandum of Understanding with EDCO.

1st Amended MEMORANDUM OF UNDERSTANDING

Formatted: Superscript

This amended Memorandum of Understanding (this "MOU") is between City of La Pine, Oregon ("City of La Pine") and Economic Development for Central Oregon, Inc. ("EDCO"), and shall be effective as of ~~July 1, 2018~~ the date of signing, and shall remain in effect ~~until June 30, 2023 for five years thereafter~~ unless terminated earlier in accordance with this MOU.

RECITALS:

EDCO and City of La Pine have an expressed interest in working more closely on continuing and expanding the efficient and effective industrial (traded sector) and commercial development program for the City of La Pine area, which includes business recruitment, expansion and retention activities. The City of La Pine community is prepared and motivated to have a local manager and support for implementation of this multi-faceted economic development program over an extended period of time. In addition, City of La Pine is prepared to facilitate, work and collaborate with Sunriver, Deschutes County, local chambers and business leaders in the La Pine and Sunriver area to achieve economic development for the region as contemplated by this MOU.

For mutual consideration, it is hereby agreed as follows:

AGREEMENT:

SECTION 1 SERVICES TO BE PROVIDED BY EDCO

EDCO shall continue an economic development program that is based locally in the City of La Pine (hereinafter the "Program"); to serve the City of La Pine and ~~s~~Southern Deschutes County (excluding the City of Bend), including, without limitation, Sunriver. EDCO shall hire, employ and direct a Program Director who will oversee all elements of the Program, parallel to EDCO's outreach efforts for business recruitment, expansion and retention activities in other geographic areas. The Program will be project and/or client-based to advise on substantive solutions, ~~one company at a time~~, relating to workforce issues, business finance, marketing, access to incentive programs, real estate development and other factors impacting businesses. ~~The Program Director will work a minimum of three quarter time, however with mutual agreement of the City of La Pine and EDCO and with adequate funding, the position may move to full time at any time.~~

Pursuant to this MOU, EDCO agrees to use commercially reasonable efforts to provide the services set forth on Schedule 1, performed and created in accordance with the specifications set forth on Schedule 1 (collectively, the "Services"). At no cost and expense to City of La Pine (other than as provided under this MOU), City of La Pine shall cooperate and assist EDCO with the Program. EDCO will present

~~annually or biannually, as requested,~~ a regular Program reports, as requested, to the City Council of City of La Pine during a public meeting, which report will include updates as to effort and results of the Program.

SECTION 2 COMPENSATION AND FUNDRAISING

- 2.1 Compensation and Funding. City of La Pine shall provide funding to EDCO on an annual basis to run the Program. Such funding includes contributions collected by City of La Pine from Deschutes County, other public entities, and private fundraising. Each year EDCO and City of La Pine will mutually and reasonably determine the amount of funding necessary to run the Program; however, the amount of funding provided by City of La Pine, Deschutes County, other public entities, and private fundraising to EDCO for the Program shall not be less than \$55,000.00 annually. ~~Note: the annual cost of other local programs within the Central Oregon region that EDCO operates with full-time directors currently range from \$84,000 to \$138,000.~~ The goal for all full-time programs is to have an annual budget of at least \$100,000 by July 2023. Within ten (10) days after the start of each quarter, EDCO will bill City of La Pine one quarter of the annual amount of funding required. Payment by City of La Pine shall be due and payable to EDCO within thirty (30) days after City of La Pine's receipt of the billing.
- 2.2 Private Fundraising. It shall be the responsibility of third-party volunteers, in conjunction with private sector businesses within City of La Pine, Sunriver and Southern Deschutes County (excluding City of Bend), to ensure and maintain adequate funding and fundraising to support continuation of the Program and Services that are the subject of this MOU and for payment of all compensation and expenses due to EDCO for the Services provided under this MOU. All fundraising dollars raised by and within City of La Pine (and Southern Deschutes County (excluding Bend)) shall be used for Program purposes only. Private funding donations may be made directly to City of La Pine (which will then be transmitted to EDCO). EDCO membership dues, EDCO sponsorships and any real and personal property donated under Section 2.4 of this MOU do not constitute private fundraising and shall not reduce City of La Pine's quarterly bill.
- 2.3 Government Funding. EDCO will maintain separate financial, tax and accounting documentation relating to Program and Services rendered. However, City of La Pine is responsible for maintaining its own financial and legal accounts resulting from its contributions to the Program and/or those made to City of La Pine from other public entities or private sector businesses for the Program.

- 2.4 Office Space. The Program and this MOU are contingent upon City of La Pine and/or the local business community providing proper and adequate office space, utilities, supplies and equipment to EDCO free of charge for EDCO Program personnel. EDCO shall be responsible only for phone and internet charges. EDCO and City of La Pine shall work to ensure adequate office space.
- 2.5 Board Representation. Representatives from the City of La Pine community will play an active advisory role in monitoring and improving services delivered by the Program. With the expansion of services and financial contributions to EDCO which it is anticipated will result from this Program, for as long as this MOU is in effect, an additional seat may be added to the EDCO Board at EDCO's determination for one or more additional La Pine representatives. City of La Pine representatives will be eligible and encouraged to serve in officer positions and on various EDCO committees.
- 2.6 Program Personnel. The Program shall be run by the Program Director who shall be selected by a hiring panel composed of the EDCO CEO and five community leaders selected jointly by EDCO and City of La Pine. The Program Director shall be an EDCO employee, and all oversight, management, supervision and direction and control of the Program ~~Manager~~ Director will be the responsibility of EDCO, which shall also have the sole right to determine job duties, hours, salary and merit raises or bonuses and any other compensation and benefits, hours of work and other working conditions, and to terminate. However, feedback from City of La Pine, either through its elected officials and/or an Advisory Board, on the Program Director's performance is expected. The Program Director must be a resident of the greater La Pine or Sunriver area unless otherwise approved by the City.
- 2.7 Advisory Board. A local Advisory Board will be established to provide direction and feedback, as necessary and appropriate. The Advisory Board will be composed of no more than twelve (12) members, who shall represent the La Pine / Sunriver areas and the public and private investors of the Program. The Advisory Board will meet monthly (or as otherwise agreed) to provide ideas, contacts, policy direction, feedback on results, and help with fundraising efforts. The members of the Advisory Board shall be selected by mutual agreement between EDCO and City of La Pine, and shall serve terms of three years.

Commented [RL1]:

SECTION 3 RELATIONSHIP

- 3.1** Independent Contractor. EDCO will be an independent contractor of City of La Pine. EDCO and the Program Director will not be an employee of City of La Pine. EDCO will be free from direction and control over the means and manner of providing the Services. EDCO will have the authority to hire other persons to provide or to assist in providing the Services and will have the authority to terminate those persons.
- 3.2** No Agency Relationship. This MOU does not create an agency relationship between the parties and does not establish a joint venture or partnership between the parties.
- 3.3** City of La Pine - Indemnification. To the fullest extent permitted by law, City of La Pine shall be solely responsible for its own conduct with respect to any action taken related to this MOU, and City of La Pine shall defend, indemnify and hold EDCO harmless for, from and against any and all claims, demands, actions, suits, damages, liabilities, costs, and expenses, including, without limitation, attorney fees, arising out of or related to City of La Pine's obligations and/or actions, and/or any breach and/or failure to perform any City of La Pine representation, warranty, obligation, and/or covenant under this MOU. City of La Pine's indemnification obligations provided under this Section 3.3 will survive the termination of this MOU.
- 3.4** EDCO – Indemnification. To the fullest extent permitted by law, EDCO shall be solely responsible for its own conduct with respect to any action taken related to this MOU, and EDCO shall defend, indemnify and hold City of La Pine (and its officers, employees, agents, contractors, and representatives) harmless for, from and against any and all claims, demands, actions, suits, damages, liabilities, costs, and expenses, including, without limitation, attorney fees, arising out of or related to EDCO's provision of the Services and/or breach and/or failure to perform any EDCO representation, warranty, obligation, and/or covenant under this MOU. EDCO's indemnification obligations provided under this Section 3.4 will survive the termination of this MOU.

SECTION 4 LIMITED WARRANTY

- 4.1** Warranty. EDCO warrants to City of La Pine that the Services will be performed by qualified personnel in a professional manner, in accordance with the specifications set forth on Schedule 1.
- 4.2** Disclaimer of Warranties. Except for the express warranties in this MOU, EDCO expressly disclaims all warranties with respect to the Services, express and implied.

SECTION 5 COVENANTS OF THE PARTIES

- 5.1 Compliance With Laws. Each party will comply with all applicable laws.
- 5.2 Governmental Authorizations. Each party will obtain and maintain all of the licenses, permits, registrations, and other governmental authorizations required to conduct the Program and perform the Services.

SECTION 6 INTELLECTUAL PROPERTY RIGHTS

- 6.1 Definition. "Creative Work" means any work that EDCO creates or has created in connection with the Services or any other services provided by EDCO.
- 6.2 Work Made for Hire. The Creative Work is, was, and will be specially ordered and commissioned for use by City of La Pine, and is a work made for hire for copyright purposes to the extent it qualifies as such under applicable law.
- 6.3 Assignment. City of La Pine assigns to EDCO its entire interest in the Creative Work (if any), including but not limited to all copyrights, patent rights, trade secret rights, trademark rights, and other intellectual and proprietary rights in the Creative Work.
- 6.4 Moral Rights. City of La Pine assigns to EDCO any moral rights that it may have in the Creative Work, and waives any right to assert any moral rights in any portion of the Creative Work.
- 6.5 Perfection. At the request and expense of EDCO, City of La Pine will sign such documents and take such actions that EDCO deems reasonably necessary to perfect, protect, and evidence EDCO's rights in the Creative Work.

SECTION 7 TERMINATION

Absent a renewal in writing executed by the parties, this MOU will terminate upon the earliest to occur of the following:

- (a) Five (5) years from the effective date of this MOU;
- (b) Lack of adequate funding to support and maintain the Program and/or Services, as determined by EDCO in its sole discretion;
- (c) Upon the written agreement of the parties;
- (d) Upon 90 days' written notice by either party to the other party for any reason or no reason; or

- (e) Upon notice by EDCO to City of La Pine or vice versa, if either party materially breaches this MOU and fails to cure the breach within 20 days after written notification.

SECTION 8 **GENERAL**

- 8.1** Assignment and Binding Effect. Neither party may assign any of the party's rights and/or obligations under this MOU to any person without the prior written consent of the other party. Subject to the immediately preceding sentence, this MOU will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit.
- 8.2** Amendment and Notices. This MOU may be amended only by a written document signed by the party against whom enforcement is sought. All notices or other communications required or permitted by this MOU must be in writing.
- 8.3** Waiver. No waiver will be binding on a party unless it is in writing and signed by the party making the waiver. A party's waiver of a breach of a provision of this MOU will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision.
- 8.4** Severability. If a provision of this MOU is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this MOU will not be impaired.
- 8.5** No Third-Party Beneficiaries. The parties do not intend to confer any right or remedy on any third party. Subject to the terms and conditions contained in this MOU, each party will pay all wages and benefits due any of its personnel, including, without limitation, overtime and workers' compensation.
- 8.6** Remedies. The parties will have all remedies available to them at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.
- 8.7** Attorney's Fees. If any arbitration or litigation is instituted to interpret, enforce, or rescind this MOU, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs, and expenses of every kind, including but not limited to the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the

collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

- 8.8 Entire Agreement. This MOU contains the entire understanding of the parties regarding the subject matter of this MOU and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this MOU.

Dated Effective: _____ July 1, 2018⁹.

CITY OF LA PINE

~~Dennis Scott~~ Dan Richer, Mayor

~~Cory Misley~~ Melissa Bethel, City Manager

ECONOMIC DEVELOPMENT FOR
CENTRAL OREGON, INC.

Roger Lee, CEO

~~Becky Johnson~~ Alison Huyke, 2018⁷⁻¹⁹⁸ President

SCHEDULE 1

Services

La Pine Industrial Zoned Land

- Facilitate the marketing and promotion and development of Industrially-zoned property in La Pine and Sunriver.
- Manage the real publicly-owned property in the industrial zone within La Pine including:
 - monitor when leases expire
 - track availability of properties and adjacent uses
 - provide recommendations to the City and/or County for lease or sale transactions
 - provide recommendations to the City and/or County for needed improvements and infrastructure
- Provide updates on economic development activity, results and incentives within the La Pine and Sunriver areas to local organizations; i.e. real estate groups and chambers.

Formatted: (none)

Recruitment

- Develop, coordinate, implement and monitor a City of La Pine economic development marketing and recruitment plan.
- Identify targeted business sectors and develop strategies for recruiting within these sectors, including cluster development.
- Make business recruitment a community-wide effort utilizing all resources and organizations in cooperative efforts.
- Coordinate the efforts of all public and private business recruitment entities to deliver a consistent message to the business community—internally and externally.
- Provide coordination for the on site selection process between the business client and the land developer.
- Maintain a communication network among financial entities, real estate firms, private developers and governmental agencies with a direct interest in development activity.
- Serve as an advocate for business expansion projects in areas such as siting, permitting, inspections and occupancy during the project development.
- Manage the industrial/primary employment recruitment process.

- Manage the La Pine and Sunriver portions of the Deschutes County Rural Enterprise Zone, including marketing to new firms, and coordination with the Deschutes County Assessor's Office and applicable state agencies.
- Coordinate visits to the Sunriver-La Pine area by prospective client companies and similarly, visit those prospective clients, in a targeted manner, at their place of operation – inside or outside the region.
- Coordinate all of the above stated economic development activities in the unincorporated areas in southern Deschutes County and Sunriver area in addition to the City of La Pine.

Expansion and Retention

- Proactively seek business expansion and/or relocation opportunities.
- Provide oversight review of job retention and expansion programs.
- Maintain and update the industrial property inventory to facilitate filling needs of both new and existing businesses.
- Perform retention interviews and identify the top five systemic constraints that should be addressed.
- Develop and implement retention strategies, partnering with local regional and statewide agencies.
- Help Aid existing businesses of all types by being a resource for information and referral to other partner organizations (i.e. chambers of commerce, Small Business Development Center, SCORE, Business Oregon, etc.) in reaching their growth potential.
- Gather and update website information related to resources and services for existing businesses.
- Conduct seminars and workshops to educate business leaders, community leaders, and elected officials on the value and need for economic development.
- Manage the La Pine and Sunriver portions of the Rural Deschutes County Enterprise Zone, including outreach to existing eligible companies, and coordination with the City of La Pine Assessor's Office and state agencies.

In addition to these items, EDCO will work with City of La Pine and Sunriver-La Pine Economic Development Advisory Board (SLED) to formulate specific goals and objectives outlined in

three-year strategic plans (current plan is attached as Exhibit A, and will be updated by Jan. 1, 2020~~19~~) that include, at a minimum:

- A target number of completed business development projects (retention, expansion and recruitment);
- A target number of new, primary family-wage jobs;
- A target amount of new, taxable investment; and/or
- Success/completion of strategic local projects (industrial park development, workforce initiative, etc.).

As with current measurement policies at EDCO, only projects where local or regional economic development efforts have played a lead or contributing role will be counted in the metrics.

ATTACHMENT A

**La Pine Economic Development Advisory Board
FY 2015 – 2018 Strategic Action Plan Summary**

<p>Strategies</p> <p>Develop a unified and compelling brand identity and marketing strategy</p> <ul style="list-style-type: none"> ➢ Critical need to identify unique proposition for geographic coverage area ➢ Why would a business, family, individual move to the area? <p>Metric: Identify outside professional help for LED/Community Branding (start in next 60 days – Aug./Sept. 2015)</p> <p>Metric: Initiate “roll out” to community including all local civic groups, key stakeholders, businesses, etc. (start by Oct. 2015)</p> <p>Metric: In coordination with branding, develop key marketing pieces for La Pine Industrial Park, Newberry Business Park and Sunriver Business Park, including community overview (Jan. 2016)</p> <p>Focus on building employment, and diversification through traded sector companies (Move. Start. Grow.)</p> <ul style="list-style-type: none"> ➢ Work with all three types of business development projects including relocation of firms new to the area, helping entrepreneurs launch scalable startups, and growing our own local employers. <ul style="list-style-type: none"> a. Targeted Industries (traded-sector) ideas discussed (but not limited to): <table border="0"> <tr> <td>I. Wood Products</td> <td>II. Brewing & Distilling</td> </tr> <tr> <td>III. Alternative Energy</td> <td>IV. Outdoor Gear & Apparel</td> </tr> <tr> <td></td> <td>V. Data Centers</td> </tr> </table> b. Size/Scale: bread-and-butter will be small businesses (base hits), but also be opportunistic in capitalizing on large projects (home runs) c. Generate Leads Through: <table border="0"> <tr> <td>VI. Industry-Specific Tradeshows</td> <td>VII. Primary research (periodicals, online, conf</td> </tr> <tr> <td>VIII. Business Retention & Expansion Meetings</td> <td>IX. Earned media placement (stories, articles, releases, blogs, social media)</td> </tr> <tr> <td>X. Industry Trade Groups</td> <td>XI. Site Selectors</td> </tr> <tr> <td>XII. EDCO Website</td> <td>XIII. Business Oregon</td> </tr> <tr> <td>XIV. Referrals from Partners (City, County, Chambers, COVA, etc.)</td> <td></td> </tr> </table> <p>Metric: Successful business development projects (Move. Start. Grow.): 9</p> <p>Metric: Creation of new jobs = 50</p> <p>Metric: Payroll = \$2 million</p> <p>Metric: Industrial Park Properties Sales = \$1million (\$500,000 in shared revenue for the City)</p> <p>Metric: Press Releases for Move.Start.Grow projects and other newsworthy development = 10</p> <p>Resource for Businesses – resource for new business to help start up, existing businesses for retention and growth, source of information, assistance with workforce</p> <ul style="list-style-type: none"> ➢ Database of traded sector companies ➢ Assist with supply chain opportunities ➢ Workforce issue identification ➢ Business data ➢ Business Planning ➢ Help connect with Capital Resources ➢ Connection to Public Resources (Urban Renewal, etc.) ➢ Referral to land use permitting processes and help shepherd through ➢ Site location options ➢ Early stage assistance (Stable of Experts) <p>Metrics: Referrals/Assists = 100</p> <p>Develop Strong Partnership with Business Service Organizations (BSOs) – (Chambers of Commerce, La Pine Parks & Recreation, SCORE, SBDC, etc.) to reduce overlapping efforts, increase effectiveness and close gaps in service to employers in the designated geographic area</p> <ul style="list-style-type: none"> ➢ Regular meetings (suggest quarterly) ➢ Define List, Resources ➢ Identify Key Issues for Coordination and Communication ➢ Better Define Roles and Functions <p>Metrics: Create directory of Business Service Organizations with first 12 months</p> <p>Metrics: Establish regular meetings of BSOs within the first quarter of the fiscal year</p> <p>On a Case-by-Case Basis, Assist Non-traded Sector – (retail/commercial, tourism, healthcare, etc.)</p> <ul style="list-style-type: none"> ➢ Proactive or reactive is discretionary but targeted (such as health care, education) – must have a business impact, fill a need, have strong community support 	I. Wood Products	II. Brewing & Distilling	III. Alternative Energy	IV. Outdoor Gear & Apparel		V. Data Centers	VI. Industry-Specific Tradeshows	VII. Primary research (periodicals, online, conf	VIII. Business Retention & Expansion Meetings	IX. Earned media placement (stories, articles, releases, blogs, social media)	X. Industry Trade Groups	XI. Site Selectors	XII. EDCO Website	XIII. Business Oregon	XIV. Referrals from Partners (City, County, Chambers, COVA, etc.)	
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XII. EDCO Website	XIII. Business Oregon															
XIV. Referrals from Partners (City, County, Chambers, COVA, etc.)																

<ul style="list-style-type: none"> ➤ Focus is business climate improvement ➤ Opportunistic ➤ Community development (such as housing development) is a component but not a primary focus <p>Metrics: Complete survey of business needs by end of 2015 Metrics: Connect to business license database, but continue to add to database as license database only covers business in the City of La Pine Metrics: Compile list of needs from survey and create solutions-based plan community partners</p>
<p>Improve Business Climate within the Sunriver/La Pine Area</p> <ul style="list-style-type: none"> ➤ Maintain/improve ease of permitting and predictability ➤ Support City Development Process ➤ Explore Expansion of Enterprise Zone to include Sunriver ➤ Connection for improving opportunities for housing mix in conjunction with community partners ➤ Participate in community development but not a primary responsibility <p>Metrics: TBD</p>
<p>Geographic Area of Focus: Sunriver south to La Pine within Deschutes County</p> <p><i>Also discussed was the market or catchment area for the Sunriver/La Pine area that includes other incorporated and unincorporated areas in Lake and Klamath counties. While important to the south county economy, it was decided that those areas are outside the scope of this strategic plan. Citing no specific orientation or established connection, the Deschutes River Woods area south of Bend was also excluded.</i></p>
<p>SWOT ANALYSIS (not all-inclusive or prioritized; a complete list of responses was provided prior to the meeting)</p> <p>Strengths:</p> <ul style="list-style-type: none"> ➤ Building-ready sites (land) ➤ Strengths of businesses and organizations (Sunriver Resort, Midstate Electric, School District, La Pine Community Health Center, Interfor, St. Charles Clinic (future)) ➤ Sunriver (national/international name recognition, history of visitors) ➤ Pro-business climate (permitting, costs, incentives) ➤ Community (amenities, cost, family values, volunteers) ➤ Natural resources (forests, mountains, lakes, rivers and recreational opportunities to enjoy them all)
<p>Weaknesses:</p> <ul style="list-style-type: none"> ➤ Economy (strength, diversity, size, capital) ➤ Branding, image, identity, leadership vision ➤ Demographics (high average age of residents, 90% part-time or transitory in Sunriver) ➤ Lack of existing building inventory (industrial, light industrial, commercial) ➤ Education and workforce (lack of options, distance to training & education) ➤ Lack of community amenities (housing, shopping, night life, downtown)
<p>Opportunities:</p> <ul style="list-style-type: none"> ➤ Cost advantages (over other parts of the tri-county region, state, national) ➤ Specific industry development (expanding tourism south of Sunriver, wood products, etc.) ➤ Sunriver (building or drafting on four decades of national marketing and branding) ➤ Branding, image, identity and marketing ➤ Education and workforce training ➤ Economic development (Sunriver/La Pine is still a blank page)
<p>Threats:</p> <ul style="list-style-type: none"> ➤ Linked to a changing economy (local, state & national) ➤ Continued lack of image/identity/branding (need unique proposition that resonates for entire area) ➤ Anti-business sentiment (primarily and potentially from Sunriver residents/visitors) ➤ Lack of education and workforce training ➤ Competition from other places in Central Oregon, communities in other states



CITY OF LA PINE

STAFF REPORT

Meeting Date: February 27, 2019
 TO: La Pine City Council
 FROM: Melissa Bethel, Staff
 SUBJECT: Expenditure of unused CDBG funds

TYPE OF ACTION REQUESTED (Check one):

- | | | | |
|-------------------------------------|-------------------------|--------------------------|-----------------------------|
| <input type="checkbox"/> | Resolution | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | No Action – Report Only | <input type="checkbox"/> | Public Hearing |
| <input checked="" type="checkbox"/> | Formal Motion | <input type="checkbox"/> | Other/Direction: Discussion |

Councilors:

On January 23rd at the City Council workshop the Council heard from Anderson Perry and Andrew Spreadborough (CDBG Project Manager) that there would be unused funds from the CDBG grant which would need to be expended. In an effort to maximize the City's grant potential, staff began looking for ways to incorporate a project utilizing the funds that would make the most sense and be able to be incorporated into the existing project. When looking at the growth potential for the Newberry Neighborhood, it was discovered the Newberry Lift Station is wholly inadequate (see attached Engineer analysis) to handle any additional growth. Because Anderson Perry is already designing and constructing 4 additional lift stations, the unused funds would allow for the design upgrade to the Newberry Lift Station. This would be a savings of approximately \$30,000 to the City. Staff recommends the Council approve the unused portion of the CDBG funds to be utilized for the design upgrade to Newberry Lift Station. Construction would need to be completed in two years and could be incorporated into the project with the potential to save the City additional funds.

Motion:

I move the City of La Pine utilize the unexpended funds from the Community Development Block Grant for designs upgrading the Newberry Lift Station.



February 11, 2019

To: Jacob Obrist, Public Works Director
City of La Pine
16345 Sixth Street, La Pine, OR 97739

From: Erik Huffman, PE, Engineer of Record
Jose Banuelos, PE, Project Engineer
Nick Hoffman, EIT, Engineering Associate

Re: Lift Station Capacity Analysis – Planned Newberry Neighborhood

Dear Jake,

The capacity of the existing Newberry lift station has been analyzed for the Planned Newberry Neighborhood identified in the City of La Pine Comprehensive Plan (Zoning - Master Plan Residential). All sewage from each of the five existing and three planned sub-basins will flow by gravity to the Newberry lift station. This memo provides a thorough analysis of the Newberry lift station and provides improvement options for build-out conditions.

Existing Sewer Flows

There are five existing sub-basins in the Newberry Neighborhood, and all flow by gravity to the Newberry lift station which discharges to a common 4-inch force main along U.S. Highway 97 (See Exhibit "A" attached). The force main discharges to the existing primary treatment lagoon #1 located at the City's Wastewater Treatment Facility. The existing conditions of the Newberry Neighborhood were estimated based on the existing development of each of the five sub-basins (Table 1).

Table 1: Existing Sewer Flows

Development	Units*	Peak Flows** (gpm)
Quadrant B	100	36
Quadrant C – Crescent Creek Subdivision	103	37
St Charles Hospital	8	3
Housing Works	42	15
Habitat for Humanity (Putney Place)	19	7
Total Existing	272	97

*Per Deschutes County GIS Tax Maps (April 2018) and data available on Deschutes County Dial.

**Assume average flow rate = 214 gal/unit/day, Peak Factor = 2.4 (estimates Max Wet-Weather flow)

The number of units were established using Deschutes County GIS tax maps and as built information available on Deschutes County Dial. Existing unit flows were derived from the average inflow data provided in the City’s 2016 Wastewater System Study Update (average flow rate = 107 gpcd x 2 people per unit = 214 gal/unit/day). St Charles Hospital generates 4,000 gpd which is equivalent to 8 units.

Build-Out Conditions

There are three planned sub-basins in the Newberry Neighborhood, and all will flow by gravity to the Newberry lift station (See Exhibit “B” attached). The build-out conditions of the Newberry Neighborhood were estimated based on the planned development of each of the three sub-basins (Table 2).

Table 2: Planned Sewer Flows

Development	Units*	Peak Flows** (gpm)
Quadrant A	103	37
Quadrant D	86	31
Russell Subdivision	200	71
Total Planned	389	139
Existing	272	97
Total Build-Out	661	236

*Per Deschutes County GIS Tax Maps (April 2018) and data available on Deschutes County Dial.

**Assume 214 gal/unit/day, Peak Factor = 2.4 (estimates Max Wet-Weather flow)

The existing lift station pumping capacity is 141.7 gpm. Based on the calculated peak build-out flows, the Newberry lift station will require an increase in pumping capacity. It is recommended that the pumps be upsized prior to or during the construction of the Quadrant A/D and Russell Subdivisions.

Newberry Lift Station Improvements

Pumps

The existing lift station capacity per the Pentair Pump Performance Datasheet is 141.7 gpm @ 48’ of total head. An increase in pumping capacity will be required to meet the calculated peak build-out flows. The new pumps will require a pumping capacity of at least 250 gpm @ 100’ of head.

Wet Well

The Newberry lift station was designed to satisfy the demands of Quadrant A – Crescent Creek Subdivision. The lift station now also includes sewer flows from the Quadrant B, St Charles Hospital, Housing Works, and Habitat for Humanity developments. The existing storage is a 6’ wide by 6.5’ deep (1375 gallons) wet well measured from the invert (in) to the base of the well (Figure 1).

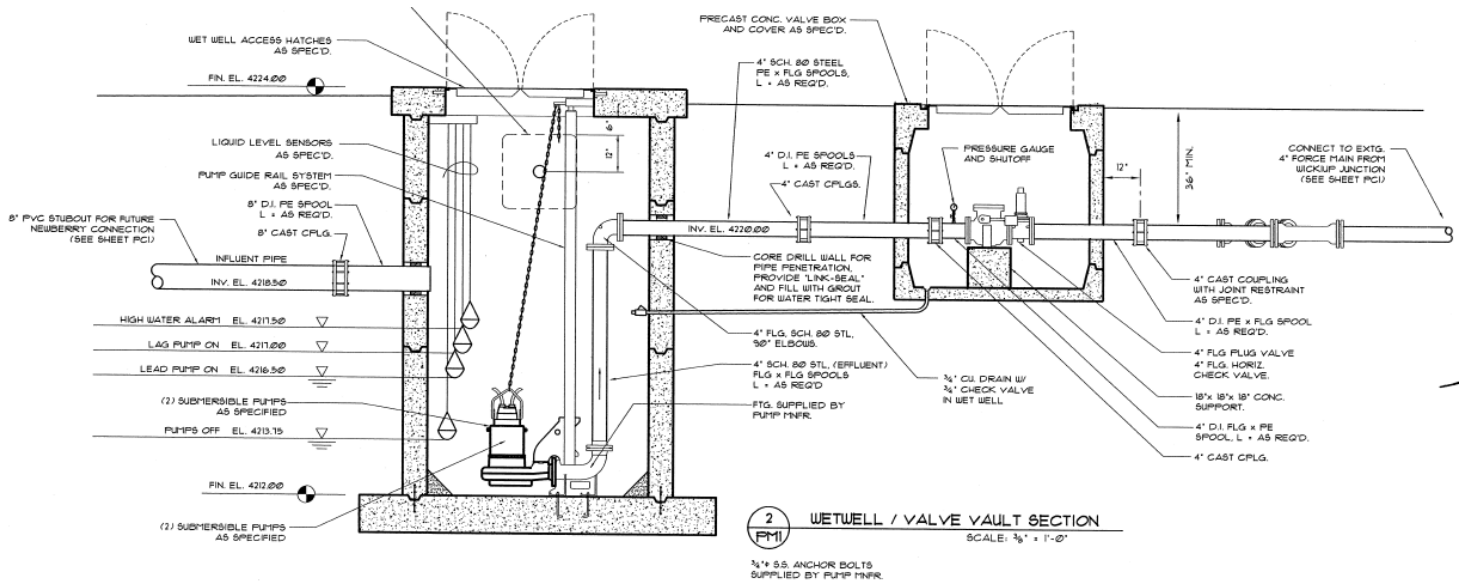


Figure 1: Section View of Wetwell

With the added flows from the Quadrant B, St Charles Hospital, Housing Works, and Habitat for Humanity developments the minimum working volume of the wet well is increased and the emergency volume is decreased. The table below shows the existing operating conditions and recommended design criteria for the wet well.

Parameter	Existing Operating Conditions	Recommended Design Criteria for Build-Out
Working Volume (gal)	582	2358**
Emergency Volume (gal)	423	7073**
Emergency Volume (min)	4.4	20
Working Depth (ft)	2.75	4.01**
Lead Pump On (ft)*	4216.50	4210.47**
Lead Pump Off (ft)*	4213.75	4206.46**

*See datum on as-built section view of the wet well

**Assumes new 10' Diameter Wet Well

The existing wet well does not provide adequate working capacity and only provides 4.4 minutes of emergency storage. As shown in Table 1 the existing wet well does not have the storage capacity to meet the recommended design criteria for build-out conditions. It is recommended that a new wet well be designed to meet build-out conditions per the recommended design criteria.

An alternate solution would be to install a storage tank to provide the recommended working and emergency volumes. An emergency generator is also recommended for backup power.

Force Main

The existing force main is 4-inches in diameter and approximately 5700-feet in length from the Newberry lift station to the City's Wastewater Treatment Facility. Assuming wet-weather flows at 10 ft/sec the force main capacity is 401 gpm. The force main must have capacity for the Newberry and Wickiup lift stations. The Wickiup lift station operates at 90gpm @ 110ft of head.

Assuming that the new pumps at the Newberry Lift station do not exceed 311 gpm no upsize will be required or necessary.

Recommendations

The Newberry lift station does not have the capacity to meet future (build-out) sewer demands. An increase in both pumping and storage capacity is necessary.

Lift Station Upgrades

BECON recommends the following upgrades:

1. **Efficiency:** Upgrade from 1-Phase to 3-Phase for higher efficiency if feasible
2. **Backup Power:** Install Emergency Generator
3. **Storage:** Install new wet well to meet recommended design criteria
 - a. Alternately – install storage tank and size accordingly to meet the recommended design criteria
4. **Pumping Capacity:** Install new pumps – preliminary analysis requires 10hp pumps

Conclusions

Based on the calculated increase in demand at build-out, the Newberry lift station will require an increase in pumping and storage capacity. The recommended improvements to the Newberry lift station are provided in this document. Based on storage capacity alone it is recommended that the City upgrade or replace the wet well prior to the development of **21 units** within Quadrant B, St Charles Hospital, Housing Works, and Habitat for Humanity developments (at least 10 minutes of working storage volume).

If you have any questions, please contact me.

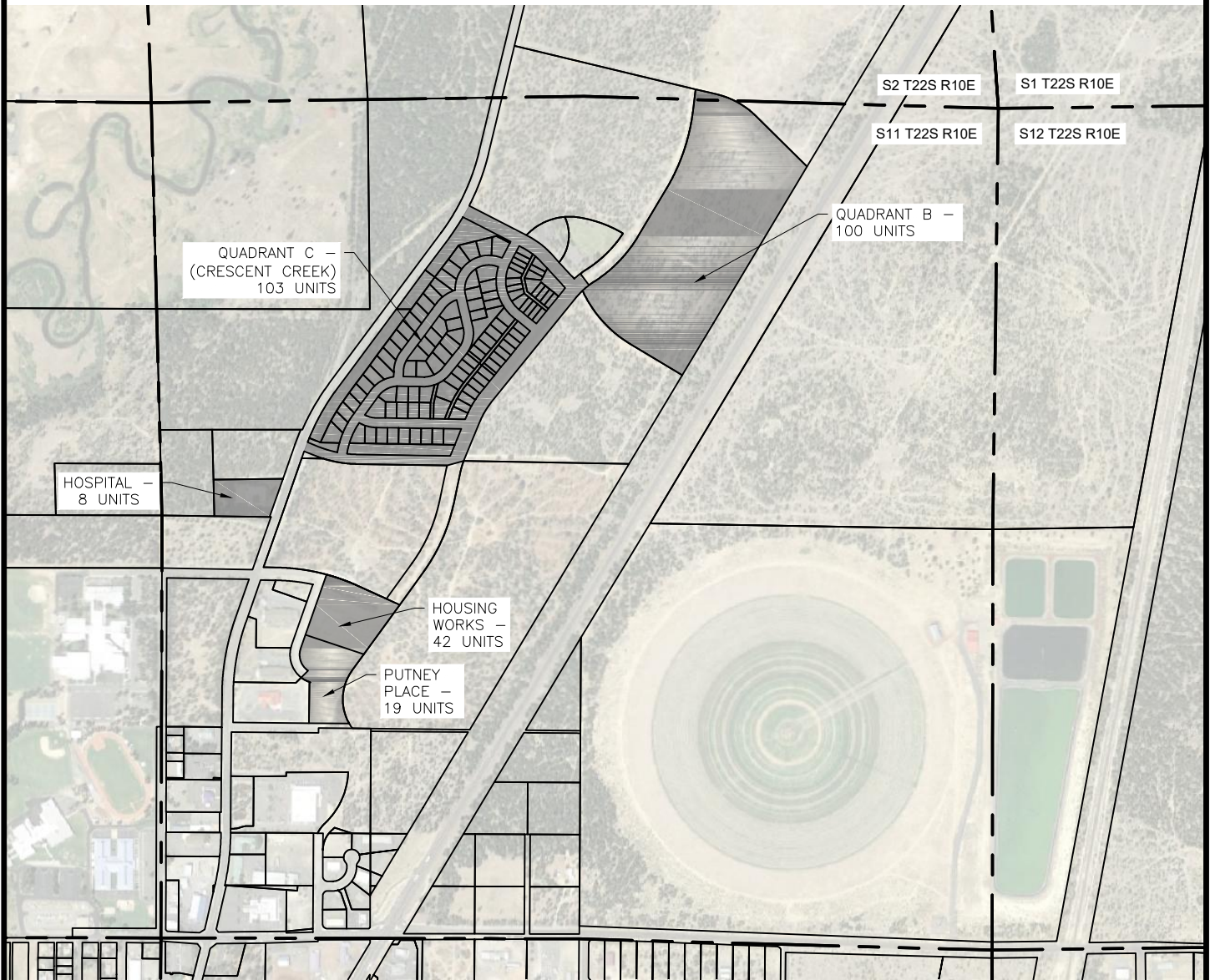
Sincerely,



Erik J. Huffman, PE, Engineer of Record
Ehuffman@beconeng.com
BECON www.beconeng.com
549 SW Mill View Way, Suite 100, Bend, OR 97702
Phone (541) 633-3140

EXHIBIT "A" - EXISTING DEVELOPMENT

SECTION 11, T. 22 S., R. 10 E., W.M.
 DESCHUTES COUNTY, OREGON



LEGEND

EXISTING DEVELOPMENT



TOTAL EXISTING UNITS: 272



NORTH
 1,000 FEET



549 SW MILL VIEW WAY
 SUITE 105
 BEND, OREGON 97702
 (541) 633-3140
 www.beconeng.com

FOR:
 CITY OF LA PINE
 PO BOX 2460
 16345 SIXTH STREET
 LA PINE, OR 97739



LA PINE

O R E G O N

DATE: 2/11/2019

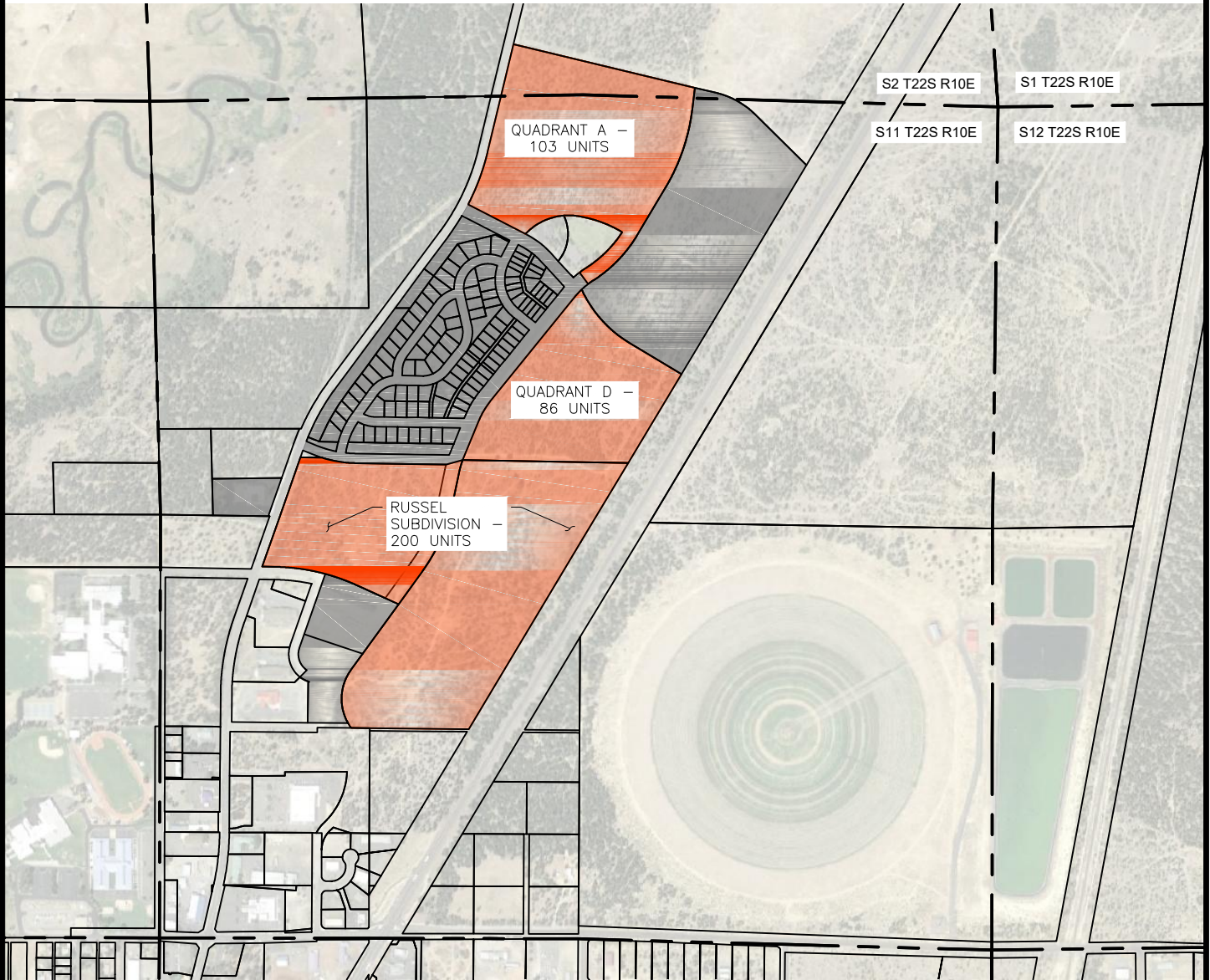
SCALE: 1" = 1000'

DRAWN BY: NAH

PROJ: 13744.82

EXHIBIT "B" - PLANNED DEVELOPMENT

SECTION 11, T. 22 S., R. 10 E., W.M.
 DESCHUTES COUNTY, OREGON



LEGEND

EXISTING DEVELOPMENT



PLANNED DEVELOPMENT



TOTAL PLANNED EDUs: 389



NORTH
 1,000 FEET



549 SW MILL VIEW WAY
 SUITE 105
 BEND, OREGON 97702
 (541) 633-3140
 www.beconeng.com

FOR:
 CITY OF LA PINE
 PO BOX 2460
 16345 SIXTH STREET
 LA PINE, OR 97739



LA PINE

O R E G O N

DATE: 2/112019

SCALE: 1" = 1000'

DRAWN BY: NAH

PROJ: 13744.82



CITY OF LA PINE

STAFF REPORT

Meeting Date: February 27, 2019
 TO: La Pine City Council
 FROM: Melissa Bethel, Staff
 SUBJECT: Inherited Sewer District Loan with County

TYPE OF ACTION REQUESTED (Check one):

- | | | | |
|-------------------------------------|-------------------------|--------------------------|-----------------------------|
| <input type="checkbox"/> | Resolution | <input type="checkbox"/> | Ordinance |
| <input checked="" type="checkbox"/> | No Action – Report Only | <input type="checkbox"/> | Public Hearing |
| <input type="checkbox"/> | Formal Motion | <input type="checkbox"/> | Other/Direction: Discussion |

Councilors:

Last month I received the attached La Pine Special Sewer District Note (LPSSD Note) from the County as an FYI: I want to bring it to the Council's attention for informational purposes and to give an update regarding the loan moving forward.

Background information:

In 2003, the Sewer District and County entered into a contract (see attached contract 2004-092- this is the last revised of several) to bring services to the Newberry Neighborhood (specifically the Pahlisch Development). The County received an EPA grant of \$433,700 to aid in the project which cost a total of \$1,564,050. The original loan had an interest rate of 4.5%. The contract states all SDC's from the Newberry Neighborhood would be collected by the County to pay off the loan. In exchange for the \$433,700 grant to the Sewer District, the County discounted Pahlisch Homes \$1,446 in SDCs for the first 300 homes.

Subsequently, development stalled during several years in which the interest from the loan kept accruing (approximately \$40,000 year). Currently there is still a total balance owed of \$808,546.52 even though the County has collected a total of \$883,287.94 in SDCs.

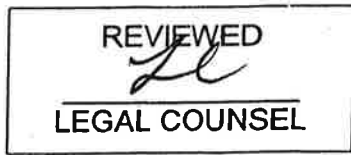
Current:

There has been an increased interest in the Newberry Neighborhood by several developers which has caused the City to look at existing infrastructure. The Newberry Lift Station which was a part of the infrastructure put in by the loan, is wholly inadequate to take on more development. The lift station will

need immediate upgrading and the City is working to solve the issue as you are all aware. However, without SDC's from the Newberry Neighborhood, the City is put in an unfortunate financial obligation. Consequently, Staff met with the County and came away with what appears to be a solid compromise moving forward. It was discovered the County has a separate Bond loan which was refinanced several years ago down to approximately 2.8% interest and is a lower balance than the loan the City inherited from the Sewer District. Tentatively, (both the Council and County Commissioners must be in agreement and a separate meeting with both boards will be held to discuss the issue) the resulting tentative compromise for discussion would result in:

1. Reduce the loan amount down to what the bond loan sits at currently (approx. \$730,000)
2. Reduce the interest rate to the ~2.8%
3. Split future SDC's in the Newberry Neighborhood with the City.

Staff feels this is a good compromise for moving forward and will keep the Council updated on the future joint meeting with the County Commissioners.



For Recording Purposes Only

**INTERGOVERNMENTAL AGREEMENT BETWEEN
LA PINE SPECIAL SEWER DISTRICT and DESCHUTES COUNTY
FOR EXTENSION OF SEWER TO THE NEWBERRY NEIGHBORHOOD**

Contract No. 2004-092

The LaPine Special Sewer District of Deschutes County, Oregon (the "District") and Deschutes County, Oregon (the "County") agree as follows:

1. RECITALS:

The parties recite:

- 1.1. ORS 190.003 to 190.110 authorize the County and the District to enter into an intergovernmental agreement for the performance of any and all functions and activities that a party to the agreement has the authority to perform.
- 1.2. The County owns approximately 518 acres north of the La Pine Urban Unincorporated Community that is to be developed as part of the County's Transferable Development Credit program and this property is formally known as the Newberry Neighborhood.
- 1.3. The County's Comprehensive Plan Zoning Code provisions for the Newberry Neighborhood call for the area to be developed as four separate neighborhoods with four development quadrants in each neighborhood.
- 1.4. On August 6, 2003, the County entered into a contract with Pahlisch Homes Development, Inc. ("Pahlisch Homes") whereby Pahlisch Homes would purchase from the County and develop the land in the first quadrant ("Quadrant 2c") in accordance with the County's intent for the Newberry Neighborhood.
- 1.5. As the part of the sales agreement with Pahlisch Homes, the County agreed to provide the necessary public sewer facilities and connections for Quadrant 2c development, which consists of approximately 32.41 acres and includes connections for approximately 107 EDUs.
- 1.6. The cost of enlarging the District's sewer facilities to accommodate a portion of the Newberry Neighborhood was in part funded by a Federal Grant from the United States Environmental Protection Agency ("EPA") of approximately \$433,700, awarded to the County, which funds have been appropriated, but not yet been received.

- 1.7. On August 28, 2002, the County and the District executed an Intergovernmental Agreement, Deschutes County Agreement No. 2002-302 ("IGA 2002-302") in which the County would pay the District for providing sewer facilities and services for the first 300 EDUs in the Newberry Neighborhood although the area is outside the District's boundaries.
- 1.8. One of the tasks in IGA 2002-302 undertaken by the County was the completion of a Septage Management and Effluent Irrigation Plan ("the Plan").
- 1.9. The Plan, prepared by HGE, Inc., the engineering firm hired by the County, determined that a sewer system extension to the Newberry Neighborhood could accommodate the entire neighborhood, estimated to encompass approximately 1700 EDUs, for a lesser dollar amount per EDU than had been estimated under IGA 2002-302 but for a higher total cost.
- 1.10. According to the Plan, the estimated total cost to accommodate the extension of sewer service to the entire Newberry Neighborhood is \$ 1,564,050.
- 1.11. The County desires to aid the District in constructing the increased sewer capacity for the Newberry Neighborhood through the transfer of the Federal Grant funds (conditioned upon District's acceptance of grant obligations) and through a County Loan to the District of approximately \$1,130,350.
- 1.12. Under IGA 2002-302, Responsibilities 3. a., c., and h. have been completed and the parties desire to delete the remaining Responsibilities and replace them with those in this IGA.
- 1.13. On or about December 1, 2003, the County and the District entered into an Intergovernmental Agreement, County Contract No. 2003-495 ("IGA 2003-495"), in which the County agreed to collect all SDCs imposed on single-family dwellings for the District for a fee of \$16.00 per EDU.
- 1.14. Both the County and the District find it beneficial to enter into this IGA in order to allow the District to provide sewer facilities and services to the Newberry Neighborhood.
- 1.15. On November 12, 2003 the Deschutes County Board of County Commissioners approved the Newberry Neighborhood's annexation to the District conditioned upon the signing of this IGA providing for sewer facilities and services to the Newberry Neighborhood;

2. EFFECTIVE DATE/DURATION

This Intergovernmental Agreement (the "IGA") takes effect when it is signed by the County and the District. Except as provided in Sections 6.1 and 7, this IGA will terminate only after both parties have fulfilled their obligations under this IGA.

3. FUNDING.

- 3.1. Grant. The County will transfer its EPA grant of approximately \$433,700 (the "Grant") to the District. The District will use those funds to construct and complete the Project described in Section 4 of this IGA (the "Project"). The County will transfer the Grant funds to the District when:

- 3.1.1. The District has obtained all necessary permits for the Project;
 - 3.1.2. The District has received construction bids that are reasonably acceptable to the County and indicate that Project can be completed with funds available to the District;
 - 3.1.3. The District agrees in writing with the County that the District will comply with the Environmental Protection Agency's Grant requirements; and,
 - 3.1.4. The County and the District obtain any required federal or state approvals for the transfer of the Grant funds.
- 3.2. Loan.
- 3.2.1. Promptly after the Grant funds are transferred to the District, the County will loan the District up to \$1,130,350 to pay for costs of the Project. This loan (the "Loan") will bear interest at 4.50% percent per annum, compounded annually. The County will advance Loan funds to the District upon receipt of written requests from the District's engineer. Each request shall state that the amounts requested are reasonably required to pay Project costs that are due within fourteen business days after the request is filed with the County
 - 3.2.2. The first \$354,845 of the Loan made to the District under Section 3.2 shall constitute matching funds for the Grant, and shall be spent by the District in compliance with the requirements of the Grant;
 - 3.2.3. The District will be obligated to repay the Loan only from systems development charges imposed by the District in the Newberry Neighborhood ("SDCs").
 - (a) The County will:
 - (i) collect all SDCs on single-family dwellings until the Loan is repaid;
 - (ii) be entitled to keep a collection fee equal to \$16.00 for each single-family dwelling ("SDC"); and,
 - (iii) will apply the remaining SDC revenues, and any SDC revenues received from the District pursuant to Section 3.2.3(d) and (e), to pay the Loan and the District as provided in this IGA.
 - (b) The District shall:
 - (i) notify the County promptly when it collects any SDC revenues that are not for single-family dwellings; and,
 - (ii) shall transmit all SDC revenues it collects to the County, until the Loan is paid in full.
 - (c) The County is only obligated to apply SDC revenue to repay the Loan.
 - (i) The District may, upon prior written consent of the County, reduce the amount of any SDCs it currently imposes so long as all appropriate statutory and local procedures are followed.

- (ii) Except to the extent required by changes in Oregon law, the District will not delay the time for payment of the SDCs or amend its SDC ordinance in any other way that might limit the District's ability to repay County or otherwise jeopardize the District's obligations under this IGA.
 - (iii) The District will vigorously defend any proceeding to reduce its SDC charges.
 - (iv) Pursuant to ORS 288.594 the District hereby pledges all SDC revenues for the benefit of the County to pay the Loan. The District shall not grant any liens or pledges of its SDC revenues which are equal or superior to the lien of the pledge granted to the County in this subsection.
- (d) For the SDCs for the first 300 EDUs of development in the Newberry Neighborhood, the District will discount the SDC rate charged to the County by \$1445.67 per EDU. This represents the total Grant amount divided by the 300 EDUs. The County will apply the balance of those SDCs, minus if applicable, to pay the Loan.
 - (e) All SDC payments after the first 300 EDUs will be applied by the County to pay the Loan, until the Loan is paid in full. All SDC payments after the Loan is paid in full will be paid to the District.
 - (f) If the District is not in default, the obligation of the District to pay the Loan will terminate in fifty years, even if the Loan is not fully paid.

3.3. The County shall pay or reimburse the District for all costs relating to construction of the pump station described in the "La Pine Special Sewer District Contract Documents for the Construction of the Wastewater Treatment Plant Improvements and Wastewater Pump Station" by HGE Inc. which is dated June 2003 (the "Construction Documents", up to a maximum of \$117,500. The County may require the District to provide documents reasonably demonstrating that the District paid the costs for which reimbursement is requested, and that the costs were paid for the pump station as described in the Construction Documents.

3.4. Costs. The District will pay for the County's costs of special financial counsel to prepare this IGA, up to a maximum fee of \$5,000. The District may pay these costs from Loan proceeds.

4. THE PROJECT.

The District will construct the wastewater treatment plant improvements and all pipes necessary to serve the wastewater pump station (the "Project") as described in the January 2003 contract documents prepared by HGE Inc. for Project #03.17 ("Construction Documents"). The District shall not change the Project in any way that would materially affect the ability of the District to serve the Newberry Neighborhood, delay the completion date, or serve the Newberry Neighborhood in compliance with the law and prudent utility practice unless the District first obtains the written approval of the County. The County shall construct the pump station necessary to serve Quadrant 2 in the Newberry Neighborhood.

4.1. The District will hire HGE, Inc. as the contract administrator for the Project in compliance with the District's public contracting rules governing personal service contracts.

4.2. The County will be entitled to review and approve all contract administrator and construction contracts for the Project.

- 4.3. The District will use its best efforts to complete the Project by January 1, 2005, and will substantially complete the Project so that it is capable of providing service no later than May 1, 2005.
- 4.4. The District will provide sewerage service to Quadrant 2c by July 1, 2004, and will maintain this service as long as the District remains in operation.
- 4.5. The District shall provide sewer services to the New Neighborhood at the location identified in the Construction Documents.
- 4.6. If the costs of the Project exceed the amount of the Grant and the Loan, the District will pay the costs of completing the Project from its own revenues.
- 4.7. The District will maintain and reserve sufficient treatment capacity to serve the Newberry Neighborhood as that neighborhood develops, and will, at the District's expense, provide any additional treatment capacity that is required to allow the District to serve the Newberry Neighborhood and the District's other customers.

5. The Pump Station.

- 5.1. The District will construct the wastewater pump station identified in the document entitled "La Pine Special Sewer District Contract Documents for the Construction of the Wastewater Treatment Plant Improvements and Wastewater Pump Station" dated June 30, 2003 and will take ownership of the pump station.
- 5.2. Those contract documents shall be amended to require that the costs of the wastewater pump station be separated in the bids.
- 5.3. The District shall complete the pump station no later than the completion of the Project pursuant to Paragraph 4.3.

6. Default.

- 6.1. If the County fails to provide the Grant funds described in Section 3.1 or the Loan funds described in Section 3.2, this IGA will terminate and the District and the County will be released from their obligations under this IGA.
- 6.2. If the District fails to comply with its material obligations under this IGA, and does not cure the failure within thirty (30) days after the County notifies the District in writing and demands that the failure be cured, the County may exercise all or any of the following remedies:
 - 6.2.1. The County may sue the District for damages.
 - 6.2.2. The County may seek injunctive relief.
 - 6.2.3. The County may increase the interest rate on the Loan to an annual rate of Six and Fifty Hundredths percent (6.50%), effective beginning on the date of the District's failure.
 - 6.2.4. The County may require the District to pay the Loan from other District revenues. If the County requires this remedy, the district shall repay the unpaid principal amount of the Loan in substantially equal semiannual installments sufficient to amortize the unpaid

principal amount of the Loan, with interest at an annual rate of Six and Fifty Hundredths percent (6.50%) over twenty years.

6.2.5. The County may complete the Project and charge the District for its costs, which the District shall pay on demand.

6.3. Exercise of any remedy granted to a party in this IGA shall not preclude that party from exercising any other remedy.

7. TERMINATION

7.1. The IGA 2002-302 between the parties, County Contract No. 2002-302, dated August 28, 2003 is hereby terminated by mutual consent of the parties.

7.2. The Parties may terminate this IGA at any time, but only by a written agreement that is specifically approved by the governing body of each party.

7.3. This IGA shall terminate on October 1, 2004 unless the transfers described in Section 3.1 and 3.2 have been made to the District by that date.

7.4. Except as provided in Section 3.2.3(f), this IGA may not otherwise be terminated until the Loan described in Section 3.2 has been paid in full, and the District has paid any other amounts this IGA requires it to pay to the County.

8. INDEMNIFICATION.

8.1. To the extent permitted by Article XI, Section 10, of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, County shall defend, save, hold harmless and indemnify the District and its officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities costs and expenses of any nature resulting from or arising out of, or relating to the activities of County or its officers, employees, contractors, or agents under this Contract.

8.2. To the extent permitted by Article XI, Section 10, of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, the District shall defend, save, hold harmless and indemnify the County and its officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities costs and expenses of any nature resulting from or arising out of, or relating to the activities of the District or its officers, employees, contractors, or agents under this IGA.

8.3. The District shall include a provision in the contract with all construction contractors for the sewer facilities for the Newberry Neighborhood the following:

To the fullest extent authorized by law Contractor shall defend, save, hold harmless and indemnify the County and its officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities costs and expenses of any nature resulting from or arising out of, or relating to the activities of Contractor or its officers, employees, contractors, or agents under this Contract.

9. MISCELLANEOUS

- 9.1. Assignment. Neither this IGA nor any of the rights granted by this IGA may be assigned or transferred by either party except that County may assign any agreements for installment payments of sewer SDCs previously entered into by County and District.
- 9.2. Binding Effect. The terms of this IGA shall be binding upon and inure to the benefit of each of the parties and each of their respective administrators, agents, representatives, successors and assigns.
- 9.3. Agency And Partnership. Neither party is, by virtue of this IGA, a partner nor joint venturer with the other party and neither party shall have any obligation with respect to the other party's debts or liabilities of whatever kind or nature.
- 9.4. Requirements Of Funding Source And Federal And State Laws, Statutes, Rules, Regulations, Executive Orders And Policies. Additionally, any requirements, conditions or limitations arising under the terms of any grant funding source or required pursuant to any Federal or State law, statute, rule, regulation, executive order or policy that are applicable to this IGA shall apply to this IGA and the Project. The restrictions currently known to the parties (other than the *Grant Agreement, which is not yet available) are attached as Exhibit A.
- 9.5. No Waiver Of Claims. The failure by any party to enforce any provision of this IGA shall not constitute a waiver by that party of that provision or of any other provision of this IGA.
- 9.6. Severability. Should any provision or provisions of this IGA be construed by a court of competent jurisdiction to be void, invalid or unenforceable, such construction shall affect only the provision or provisions so construed, and shall not affect, impair or invalidate any of the other provisions of this IGA which shall remain in full force and effect.
- 9.7. Headings. The headings of this IGA are for convenience only and shall not be used to construe or interpret any provisions of this IGA.
- 9.8. Applicable Law. This IGA shall be governed by and interpreted in accordance with the laws of the State of Oregon.
- 9.9. Entire Agreement. This IGA constitutes the entire Agreement between the parties concerning the subject matter hereof, and supersedes any and all prior or contemporaneous agreements or understandings between the parties, if any, whether written or oral, concerning the subject matter of this IGA which are not fully expressed herein. This IGA may not be modified or amended except by a writing signed by both parties.

Dated this 15th of March, 2004

BOARD OF COUNTY COMMISSIONERS

excused

MICHAEL M. DALY, CHAIR

[Signature]

TOM DEWOLF, COMMISSIONER

[Signature]

DENNIS R. LUKE, COMMISSIONER

ATTEST:

Connie J. Thomas

Recording Secretary

Dated this 11th of March, 2004

LA PINE SPECIAL SEWER DISTRICT

Donna Carter

James J. Newton

Sueverly Lewis

ATTEST:

Jerry Evertson
Recording Secretary

**Six Affirmative Steps
to assure
MBE/WBE/SDBE Participation**

1. Include qualified small, minority and women's businesses on solicitation lists
2. Assure that these businesses are solicited whenever they are potential sources
3. Divide total requirements, when economically feasible, into small tasks or quantities to permit maximum participation of these businesses
4. Establishing delivery schedules, where the work permits, which will encourage these businesses to participate
5. Using the services of the Federal agencies such as the Small Business Administration, the Office of Minority Business Enterprises of the Department of Commerce, and/or State and Local agencies to support further participation
6. Requiring your contractors, if they award subcontracts, to comply with the affirmative steps above.



EPA

U.S. Environmental Protection Agency

Oregon Operations Office

811 S.W. Sixth Avenue

Portland, Oregon 97204

Fax: (503) 326-3399

Confirm: (503) 326-3250

FACSIMILE TRANSMISSION

Date: 2/19/04 Page 1 of 3 pages

To: George Read

Location: Bend OR

Fax #: 541-385-1764

From: JOEL SALTER

Comments: George, the attached are generic conditions that apply to your type of event. (STAB) There will ^{also} be several additional conditions. What I'm providing you here should serve as a good example of what to expect. Additional conditions may focus on ~~describing~~ describing environmental benefits of the project.

Joel

Editor Information

Editors: Deborah Larsen
 Kathy Tsing
 Julie Jodock
 Wendy Wesson



Award Condition Information

Short Title: NEPA Infrastructure
 Type: Programmatic
 Owner: EPA/10

Media:
 Program:
 Group:

Award Condition Text

Infrastructure Conditions:

NEPA Compliance

Project work will not be initiated until after the grantee has complied with the requirements of the National Environmental Policy Act (NEPA).

Contractors

Grant participation in contract costs are not authorized until the EPA Project Officer reviews the grantee's proposed procurement methods and approves the grantee's proposed award to contractors (e.g., professional services and construction contractor).

Payment Requests

Payments shall be made on a reimbursable basis. All reimbursable costs shall be documented, reasonable, necessary, and allocable to the project. The EPA grant is to fund 55% of the eligible costs and the grantee is to fund 45% of the eligible costs.

All payments shall be submitted to the U.S. EPA Region 10, Grants Administration Unit, OMP-145, 1200 Sixth Ave., Seattle, WA 98101-1128 with a copy to the EPA Project Officer.

The first payment request which includes costs from the construction contractor for the project must be approved by the EPA Project Officer before payment is made. Supporting documentation (e.g., description of work, copy of invoice and canceled check) must accompany this initial payment request. If satisfactory, subsequent payment requests (up to the 95% grant amount) need not include supporting documentation, are to be forward to EPA Region 10 Grants Administration Unit, and will not require the EPA Project Officer's approval. The grantee, however, agrees that its records will maintain the documentation required by Federal regulations to support all grant eligible costs.

Payments will not be made beyond 95% of the EPA grant until after: the city's certification of completion is received; final inspection is complete and deficiencies are corrected to EPA's satisfaction; contractor's and grantee's release forms are submitted to EPA.

Progress Reports

The grantee is to submit quarterly performance reports which contain the status of the project that is a comparison of the actual accomplishments to the objective established for the budget period. These

reports will be due within 30 days of the reporting period which are on June 30, September 30, December 31, and March 31.

The grantee may elect to substitute quarterly reports with more frequent reporting (e.g., weekly contractor meeting minutes). The grantee shall obtain the EPA Project Officer's approval for such substitutions. (40 CFR 31.40).

Retention of Records And Audits

The grantee agrees to maintain all project records until all claims, litigation, audits or other actions have been concluded or for at least 3 three years, whichever period is later (41 CFR 31.42).

Pre-award Costs

Pre-award costs incurred more than 90 days prior to award require the approval of the EPA Award Official. Grant recipients incur pre-award costs at their own risks (i.e., EPA is under no obligation to reimburse such costs if for any reason the recipient does not receive an award or if the award is less than anticipated and inadequate to cover such costs).

Grant Closeout

The grantee will comply with the provisions of Subpart D, 40 CFR Part 31.

The grantee and subgrantee acknowledges that, in circumstances where the provisions of 40 CFR Part 31 are ambiguous, EPA will generally look for guidance to 40 CFR Part 33 and past determinations made pursuant to Part 33.

**ENVIRONMENTAL PROTECTION AGENCY (EPA) REGION 10
CONTRACT SPECIFICATIONS**

GENERAL. The construction work is being partially funded by the Environmental Protection Agency (EPA). Therefore, all construction work under this contract(s) is(are) subject to applicable Federal laws and regulations..

All applicable Federal, state, and local laws are to be complied with during bidding and construction. The contractor is responsible for its own and its employees' acts or omissions under the laws and the contract. The contractor and its subcontractor are jointly and equally responsible for the acts or omissions of the subcontractor and its employees.

EPA grantees and subgrantees are responsible for the successful administration and completion of Federally assisted projects. EPA is not a party to any of the grantee's and/or subgrantees' subagreements for the construction of the proposed project. Reviews and approvals by EPA are: for administrative purposes only; used to determine compliance with Federal laws and regulations; and used to determine the level of Federal participation.

COMPLIANCE WITH STATE & LOCAL LAWS. The construction of the project, including the letting of subcontracts, shall conform to the requirements of state and local laws and ordinances. If such requirements conflict with Federal laws and regulations, Federal laws and regulations shall prevail (e.g., retention of records).

MAINTENANCE OF EXISTING TREATMENT WORKS DURING CONSTRUCTION. Where construction consists of replacement of, or modification to, an existing sewer line, pump station or waste treatment works, the contractor shall provide for maintaining that works conveyance of wastes and its existing level of treatment at all times during construction.

ACCESS TO CONSTRUCTION SITE. The contractor shall provide for access to all sites on contract work for duly authorized representatives from EPA and the state.

ACCESS TO RECORDS. The contractor shall provide for access for duly authorized representatives from EPA and state to any books, documents, papers, and records of the contractor which are pertinent to that specific contract for the purpose of making audit, examination, exerts, and transcriptions.

RECORDS RETENTION. The grantee, subgrantees, and prime contractors shall retain all records for three years after final payments or other pending matters (e.g., litigation and audit) are closed, whichever is longer.

BONDING REQUIREMENTS. Bidders on contracts less than \$100,000 shall be subject to state and local requirements relating to bid guarantees and bonding requirements.

For contracts and subcontracts exceeding \$100,000, EPA may accept the bonding policy and requirements of the grantee or subgrantee if EPA made a determination that its interest is adequately protected. If such a determination has not been made, each contractor awarded a construction contract in excess of \$100,000 shall meet the minimum requirements as follows:

Bid Guarantee from each bidder equivalent to five percent of the bid price.
Performance and Payment Bond on part of the contractor for 100 percent of the contract price.

AWARDING OF SUBAGREEMENTS. For sealed bids and where two or more responsible bidders are willing and able to compete effectively, grantees or subgrantees will make awards to the lowest, responsive, responsible bidder whose bid conforms with all the material, terms and conditions of the invitation for bids.

In instances where competition by sealed bids is determined inadequate (e.g., only one sealed bid is received), the grantee or subgrantee must obtain EPA approval prior to executing noncompetitive procurement contracts. Otherwise, EPA funding of the project may be withdrawn.

SETTLEMENT OF PROCUREMENT ISSUES. Grantees and subgrantees alone will be responsible for the settlement of all contracts and administrative issues arising out of procurement. Grantees and subgrantees will have procedures to handle and resolve procurement issues and shall disclose information regarding such issues to EPA. Such issues include, but are not limited to, source evaluation, bid protests, disputes, and claims.

EPA is not a party to any of the grantee's or subgrantee's subagreements for the construction of the proposed project. EPA's funding of this project does not relieve the grantee or subgrantee of any contractual responsibilities under its contracts. Reviews and approvals by EPA are: for administrative purposes only; used to determine compliance with Federal laws and regulations; and used to determine the level of Federal participation.

EPA will not substitute its judgement for that of the grantee or subgrantee unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having jurisdiction. Reviews by EPA will be limited to the violations specified below. All other issues received by EPA will be referred to the grantee or subgrantee.

- Violations of Federal law or regulations and the standards. Violations of State or local law will be under the jurisdiction of state or local authorities; and
- Violations of the grantee's or subgrantee's protest procedures for failure to review a complaint or protest.

BID PROTESTS. Grantees and subgrantees will have procedures to resolve bid protest appeals and shall disclose information regarding the protest to EPA and the state. A protestor must exhaust all administrative remedies at the grantee's and subgrantee's level before pursuing a protest with EPA.

Only parties with a financial interest which are adversely affected by the grantee's or subgrantee's decision on the initial bid protest may file a bid protest appeal with EPA. **EPA will not substitute its judgement for the grantee or subgrantee unless the matter is primarily a Federal concern.** Reviews by EPA will be limited to the violations described under the preceding section entitled "Settlement of Procurement Issues". Violations of law will be referred to the appropriate local or state authority.

Bid protest appeals must be filed with the Office of Regional Counsel, EPA Region 10, ORC-158, EPA, Region 10, 1200 Sixth Avenue, Seattle, WA 98101. A protest appeal must:

- Be a written complaint regarding the grantee's or subgrantee's determination of a bid protest appeal;
- Include a copy of the grantee's or subgrantee's determination of the protest, and
- State the basis for the appeal.

The party filing the bid protest appeal must concurrently transmit a copy of all protest documents and any attachments to all other financially interested parties which may be adversely affected by the determination of the protest appeal.

EPA will only consider written protest appeals received by the Office of Regional Counsel (ORC) **within seven (7) calendar days** after the adversely affected party can meet the seven day notice requirements by telegraphing or faxing to ORC within the seven calendar day period of its intent to file a protest appeal, provided the adversely affected party submits a complete protest appeal within seven (7) calendar days of the date it sent the telegram or fax. If the seventh day falls on a Saturday, Sunday, or holiday, the next working day shall be the last day to submit a protest appeal.

For any protest appeal based upon alleged improprieties in the solicitation which were clearly apparent before receipt of initial proposals, EPA may dismiss as untimely any such appeals if the grantee or subgrantee does not receive the initial protest before bid opening or the closing date for receipt of proposals.

COST ANALYSIS. The grantee and subgrantee must perform a cost analysis for all procurement actions to determine the reasonableness of the proposed contract price. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals.

A cost analysis will be necessary when adequate price competition is lacking; for sole source procurement; for contract modifications, and for change orders.

COMPLIANCE WITH OTHER FEDERAL REGULATIONS. The grantee and subgrantee are to ensure that their contracts include appropriate provisions in their bid documents to ensure contractors' compliance with the following:

- Administrative, contractual or legal remedies in instances where contractors violate or breach contract terms, and provide sanctions and penalties.
- Termination for cause or convenience by the grantee and subgrantee including the manner by which it will be effected and the basis for settlement.
- Compliance with Executive Orders and Department of Labor pertaining to Equal Employment Opportunity. (Pertains to all construction contracts in excess of \$10,000.)
- Compliance with the Copeland Anti-Kickback Act.
- Compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act. (Pertains to construction contracts in excess of \$2,000 and in excess of \$2,500 for contracts involving employment of mechanics or laborers.)
- Compliance with all applicable standards, orders, or requirements under 306 of the Clean Air Act, section 508 of the Clean Water Act, Executive Order 11738 and EPA regulations 40 CFR, Part 15. (Pertains to contracts and subcontracts in excess of \$100,000.)
- Requirements of the energy efficiency contained in the state energy conservation plan issued under the Energy Policy and Conservation Act. P.L. 94-163.

EPA REGULATORY REFERENCES. 40 CFR Part 31. In circumstances where the provisions of Part 31 are ambiguous EPA will generally look for guidance to the language of 40 CFR Part 33 and past requirements and determinations made pursuant to Part 33.

Region 10 Small, Minority, and Women Business Enterprise Program Q & A

What is the Minority and Women Business Program?

It is EPA policy that recipients of EPA financial assistance through grants, cooperative agreements and loans, award a fair share of contracts and procurement to small, minority and women's businesses. This policy applies to all contracts/procurement for supplies, construction, equipment and services under any EPA grant or cooperative agreement. It also applies to any Interagency Agreement where supplies, construction, equipment and services are **being purchased**. The program is based on the following principles:

1. A healthy, growing economy is fundamental to creating the opportunity for formation and growth of minority - owned businesses.
2. Greater economic independence for minority Americans will best be achieved through increased opportunities for private employment and business ownership.
3. Creativity, private entrepreneurship, and individual initiative will ultimately determine the success or failure of individual minority businesses.
4. Expanded involvement of the private sector is crucial to minority enterprise developmental efforts.

What do recipients of EPA financial assistance need to do to meet the MBE/WBE and Small Business requirements?

- They must meet the requirements for the Program stated in 40 CRF 31.36(e), if they are a State, Local or Indian Tribal recipient or 40 CFR 30.44(b) if they are a Non-Profit or University:
 1. Include qualified MBE/WBE and Small Businesses on solicitation lists.
 2. Actively solicit MBE/WBE and Small Businesses.
 3. Divide procurements into small tasks.
 4. Provide delivery schedules which allow MBE/WBE and Small Business participation.
 5. Utilize the Small Business Administration and the Minority Business Development Agency.
 6. Require Prime Contractor to follow these affirmative steps.
- The grantee must negotiate a fair share goal for MBE/WBE participation with EPA.
- The grantee must report on actual utilization achieved.

What is a fair share objective and how is it determined?

A fair share goal is an estimate of how much participation the grantee will strive to achieve, taking into consideration total project funding and the availability of qualified and willing MBEs and WBEs who are located in the relevant market area in which the procurements will take place. A fair share goal does not establish a quota for utilization of MBEs and WBEs, rather it represents a commitment on the part of the recipient or a prime contractor hired by the recipient to make a good faith effort to utilize MBEs and WBEs to the fullest possible extent to achieve the fair share goal.

How does the Agency know if a grantee or contractor has met their fair share goal?

Grantees are required to report to EPA the amount of utilization they or their prime contractors were able to achieve by submitting quarterly summaries (via EPA Form 5700-52A). These reports state the total procurement done for the quarter and how much of those procurement went to MBEs and WBEs. The information is recorded in a National database and the Office of Small and Disadvantaged Business Utilization (OSDBU) is required to provide this information to Congress.

Who is the Small, Minority and Women Business Enterprise Program coordinator in Region 10 and how does one find out more information about the program?

Contact the program coordinator, Mike Letourneau in the Office for Civil Rights and Environmental Justice at (206) 553-1687. In addition, you can visit the OSDBU website at:

<http://www.epa.gov/sadqfzsu/>

[Code of Federal Regulations] [Title 40, Volume 1, Parts 1 to 49] [Revised as of July 1, 1999] From the U.S. Government Printing Office via GPO Access [CITE: 40CFR31]

[Page 321-325]

TITLE 40--PROTECTION OF ENVIRONMENT

CHAPTER I--ENVIRONMENTAL PROTECTION AGENCY

PART 31--UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS--Table of Contents

Subpart A--General

Sec. 31.1 Purpose and scope of this part.

This part establishes uniform administrative rules for Federal grants and cooperative agreements and subawards to State, local and Indian tribal governments.

Sec. 31.2 Scope of subpart.

This **subpart** contains general rules pertaining to this part and procedures for control of exceptions from this part.

Sec. 31.3 Definitions.

As used in this part: Accrued expenditures mean the charges incurred by the grantee during a given period requiring the provision of funds for: (1) Goods and other tangible property received; (2) Services performed by employees, contractors, subgrantees, subcontractors, and other payees; and (3) Other amounts becoming owed under programs for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments. Accrued income means the sum of: (1) Earnings during a given period from services performed by the grantee and goods and other tangible property delivered to purchasers, and (2) Amounts becoming owed to the grantee for which no current services or performance is required by the grantee. Acquisition cost of an item of purchased equipment means the net invoice unit price of the property including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the grantee's regular accounting practices. Administrative requirements mean those matters common to grants in

[[Page 322]]

general, such as financial management, kinds and frequency of reports, and retention of records. These are distinguished from programmatic requirements, which concern matters that can be treated only on a program-by-program or grant-by-grant basis, such as kinds of activities that can be supported by grants under a particular program. Awarding agency means (1) with respect to a grant, the Federal agency, and (2) with respect to a subgrant, the party that awarded the subgrant. Cash contributions means the grantee's cash outlay, including the outlay of money contributed to the grantee or subgrantee by other public agencies and institutions, and private organizations and individuals. When authorized by Federal legislation, Federal funds received from other assistance agreements may be considered as grantee or subgrantee cash contributions. Contract means (except as used in the definitions for grant and subgrant in this section and except where qualified by Federal) a procurement contract under a grant or subgrant, and means a procurement subcontract under a contract. Cost sharing or matching means the value of the third party in-kind contributions and the portion of the costs of a federally assisted project or program not borne by the Federal Government. Cost-type contract means a contract or subcontract under a grant in which the contractor or subcontractor is paid on the basis of the costs it incurs, with or without a fee. Equipment means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above. Expenditure report means: (1) For nonconstruction grants, the SF-269 "Financial Status Report" (or other equivalent report); (2) for construction grants, the SF-271 "Outlay Report and Request for Reimbursement" (or other equivalent report). Federally recognized Indian tribal government means the governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community (including any Native village as defined in section 3 of the Alaska Native Claims Settlement Act, 85 Stat 688) certified by the Secretary of the Interior as eligible for the special programs and services provided by him through the Bureau of Indian Affairs. Government means a State or local government or a federally recognized Indian tribal

government. Grant means an award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, by the Federal Government to an eligible grantee. The term does not include technical assistance which provides services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. Also, the term does not include assistance, such as a fellowship or other lump sum award, which the grantee is not required to account for. Grantee means the government to which a grant is awarded and which is accountable for the use of the funds provided. The grantee is the entire legal entity even if only a particular component of the entity is designated in the grant award document. Local government means a county, municipality, city, town, township, local public authority (including any public and Indian housing agency under the United States Housing Act of 1937) school district, special district, intrastate district, council of governments (whether or not incorporated as a nonprofit corporation under State law), any other regional or interstate government entity, or any agency or instrumentality of a local government. Obligations means the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period. OMB means the U.S. Office of Management and Budget. Outlays (expenditures) mean charges made to the project or program. They may be reported on a cash or accrual

[[Page 323]]

basis. For reports prepared on a cash basis, outlays are the sum of actual cash disbursement for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions applied, and the amount of cash advances and payments made to contractors and subgrantees. For reports prepared on an accrued expenditure basis, outlays are the sum of actual cash disbursements, the amount of indirect expense incurred, the value of in-kind contributions applied, and the new increase (or decrease) in the amounts owed by the grantee for goods and other property received, for services performed by employees, contractors, subgrantees, subcontractors, and other payees, and other amounts becoming owed under programs for which no current services or performance are required, such as annuities, insurance claims, and other benefit payments. Percentage of completion method refers to a system under which payments are made for construction work according to the percentage of completion of the work, rather than to the grantee's cost incurred. Prior approval means documentation evidencing consent prior to incurring specific cost. Real property means land, including land improvements, structures and appurtenances thereto, excluding movable machinery and equipment. Share, when referring to the awarding agency's portion of real property, equipment or supplies, means the same percentage as the awarding agency's portion of the acquiring party's total costs under the grant to which the acquisition costs under the grant to which the acquisition cost of the property was charged. Only costs are to be counted--not the value of third-party in-kind contributions. State means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State exclusive of local governments. The term does not include any public and Indian housing agency under United States Housing Act of 1937. Subgrant means an award of financial assistance in the form of money, or property in lieu of money, made under a grant by a grantee to an eligible subgrantee. The term includes financial assistance when provided by contractual legal agreement, but does not include procurement purchases, nor does it include any form of assistance which is excluded from the definition of grant in this part. Subgrantee means the government or other legal entity to which a subgrant is awarded and which is accountable to the grantee for the use of the funds provided. Supplies means all tangible personal property other than equipment as defined in this part. Suspension means depending on the context, either (1) temporary withdrawal of the authority to obligate grant funds pending corrective action by the grantee or subgrantee or a decision to terminate the grant, or (2) an action taken by a suspending official in accordance with agency regulations implementing E.O. 12549 to immediately exclude a person from participating in grant transactions for a period, pending completion of an investigation and such legal or debarment proceedings as may ensue. Termination means permanent withdrawal of the authority to obligate previously-awarded grant funds before that authority would otherwise expire. It also means the voluntary relinquishment of that authority by the grantee or subgrantee. Termination does not include: (1) Withdrawal of funds awarded on the basis of the grantee's underestimate of the unobligated balance in a prior period; (2) Withdrawal of the unobligated balance as of the expiration of a grant; (3) Refusal to extend a grant or award additional funds, to make a competing or noncompeting continuation, renewal, extension, or supplemental award; or (4) Voiding of a grant upon determination that the award was obtained fraudulently, or was otherwise illegal or invalid from inception. Terms of a grant or subgrant mean all requirements of the grant or subgrant, whether in statute, regulations, or the award document.

[[Page 324]]

Third party in-kind contributions mean property or services which benefit a federally assisted project or program and which are contributed by non-Federal third parties without charge to the grantee, or a cost-type contractor under the grant agreement. Unliquidated obligations for reports prepared on a cash basis mean the amount of obligations incurred by the grantee that has not been paid. For reports prepared on an accrued expenditure basis, they represent the amount of obligations incurred by the grantee for which an outlay has not been recorded. Unobligated balance means the portion of the funds authorized by the Federal agency that has not been obligated by the grantee and is determined by deducting the cumulative obligations from the cumulative funds authorized.

Sec. 31.4 Applicability.

(a) General. Subparts A-D of this part apply to all grants and subgrants to governments, except where inconsistent with Federal statutes or with regulations authorized in accordance with the exception provision of Sec. 31.6, or: (1) Grants and subgrants to State and local institutions of higher education or State and local hospitals. (2) The block grants authorized by the Omnibus Budget Reconciliation Act of 1981 (Community Services; Preventive Health and Health Services; Alcohol, Drug Abuse, and Mental Health Services; Maternal and Child Health Services; Social Services; Low-Income Home Energy Assistance; States' Program of Community Development Block Grants for Small Cities; and Elementary and Secondary Education other than programs administered by the Secretary of Education under Title V, Subtitle D, Chapter 2, Section 583--the Secretary's discretionary grant program) and Titles I- III of the Job Training Partnership Act of 1982 and under the Public Health Services Act (Section 1921), Alcohol and Drug Abuse Treatment and Rehabilitation Block Grant and Part C of Title V, Mental Health Service for the Homeless Block Grant). (3) Entitlement grants to carry out the following programs of the Social Security Act: (i) Aid to Needy Families with Dependent Children (Title IV-A of the Act, not including the Work Incentive Program (WIN) authorized by section 402(a)19(G); HHS grants for WIN are subject to this part); (ii) Child Support Enforcement and Establishment of Paternity (Title IV-D of the Act); (iii) Foster Care and Adoption Assistance (Title IV-E of the Act); (iv) Aid to the Aged, Blind, and Disabled (Titles I, X, XIV, and XVI-AABD of the Act); and (v) Medical Assistance (Medicaid) (Title XIX of the Act) not including the State Medicaid Fraud Control program authorized by section 1903(a)(6)(B). (4) Entitlement grants under the following programs of The National School Lunch Act: (i) School Lunch (section 4 of the Act), (ii) Commodity Assistance (section 6 of the Act), (iii) Special Meal Assistance (section 11 of the Act), (iv) Summer Food Service for Children (section 13 of the Act), and (v) Child Care Food Program (section 17 of the Act). (5) Entitlement grants under the following programs of The Child Nutrition Act of 1966: (i) Special Milk (section 3 of the Act), and (ii) School Breakfast (section 4 of the Act). (6) Entitlement grants for State Administrative expenses under The Food Stamp Act of 1977 (section 16 of the Act). (7) A grant for an experimental, pilot, or demonstration project that is also supported by a grant listed in paragraph (a)(3) of this section; (8) Grant funds awarded under subsection 412(e) of the Immigration and Nationality Act (8 U.S.C. 1522(e)) and subsection 501(a) of the Refugee Education Assistance Act of 1980 (Pub. L.

[[Page 325]]

96-422, 94 Stat. 1809), for cash assistance, medical assistance, and supplemental security income benefits to refugees and entrants and the administrative costs of providing the assistance and benefits; (9) Grants to local education agencies under 20 U.S.C. 236 through 241-1(a), and 242 through 244 (portions of the Impact Aid program), except for 20 U.S.C. 238(d)(2)(c) and 240(f) (Entitlement Increase for Handicapped Children); and (10) Payments under the Veterans Administration's State Home Per Diem Program (38 U.S.C. 641(a)). (b) Entitlement programs. Entitlement programs enumerated above in Sec. 31.4(a) (3) through (8) are subject to subpart E.

Sec. 31.5 Effect on other issuances.

All other grants administration provisions of codified program regulations, program manuals, handbooks and other nonregulatory materials which are inconsistent with this part are superseded, except to the extent they are required by statute, or authorized in accordance with the exception provision in Sec. 31.6.

Sec. 31.6 Additions and exceptions.

(a) For classes of grants and grantees subject to this part, Federal agencies may not impose additional administrative requirements except in codified regulations published in the Federal Register. (b) Exceptions for classes of grants or grantees may be authorized only by OMB. (c) Exceptions on a case-by-case basis and for subgrantees may be

authorized by the affected Federal agencies. (1) In the Environmental Protection Agency, the Director, Grants Administration Division, is authorized to grant the exceptions. (2) [Reserved] (d) The EPA Director is also authorized to approve exceptions, on a class or an individual case basis, to EPA program--specific assistance regulations other than those which implement statutory and executive order requirements.

[53 FR 8068 and 8087, Mar. 11, 1988, and amended at 53 FR 8075, Mar. 11, 1988]

programmatic requirements for a plan that are in statutes or codified regulations. (c) Assurances. In each plan the State will include an assurance that the State shall comply with all applicable Federal statutes and regulations in effect with respect to the periods for which it receives grant funding. For this assurance and other assurances required in the plan, the State may: (1) Cite by number the statutory or regulatory provisions requiring the assurances and affirm that it gives the assurances required by those provisions, (2) Repeat the assurance language in the statutes or regulations, or (3) Develop its own language to the extent permitted by law. (d) Amendments. A State will amend a plan whenever necessary to reflect: (1) New or revised Federal statutes or regulations or (2) a material change in any State law, organization, policy, or State agency operation. The State will obtain approval for the amendment and its effective date but need submit for approval only the amended portions of the plan.

Sec. 31.12 Special grant or subgrant conditions for "high-risk" grantees.

(a) A grantee or subgrantee may be considered "high risk" if an awarding agency determines that a grantee or subgrantee: (1) Has a history of unsatisfactory performance, or (2) Is not financially stable, or (3) Has a management system which does not meet the management standards set forth in this part, or (4) Has not conformed to terms and conditions of previous awards, or (5) Is otherwise not responsible; and if the awarding agency determines that an award will be made, special conditions and/or restrictions shall correspond to the high risk condition and shall be included in the award. (b) Special conditions or restrictions may include: (1) Payment on a reimbursement basis; (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period; (3) Requiring additional, more detailed financial reports; (4) Additional project monitoring; (5) Requiring the grantee or subgrantee to obtain technical or management assistance; or (6) Establishing additional prior approvals. (c) If an awarding agency decides to impose such conditions, the awarding official will notify the grantee or subgrantee as early as possible, in writing, of: (1) The nature of the special conditions/restrictions; (2) The reason(s) for imposing them; (3) The corrective actions which must be taken before they will be removed and the time allowed for completing the corrective actions and (4) The method of requesting reconsideration of the conditions/ restrictions imposed.

Sec. 31.13 Principal environmental statutory provisions applicable to EPA assistance awards.

Grantees shall comply with all applicable Federal laws including: (a) Section 306 of the Clean Air Act, (42 U.S.C. 7606). (b) Section 508 of the Federal Water Pollution Control Act, as amended, (33 U.S.C. 1368). (c) Section 1424(e) of the Safe Drinking Water Act, (42 U.S.C. 300h- 3(e)).

[53 FR 8075, Mar. 11, 1988]

[[Page 327]]

[Code of Federal Regulations] [Title 40, Volume 1, Parts 1 to 49] [Revised as of July 1, 1999] From the U.S. Government Printing Office via GPO Access [CITE: 40CFR31]

[Page 327-348]

TITLE 40--PROTECTION OF ENVIRONMENT

CHAPTER I--ENVIRONMENTAL PROTECTION AGENCY

PART 31--UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS--Table of Contents

Subpart C--Post-Award Requirements

Financial Administration

Sec. 31.20 Standards for financial management systems.

(a) A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to-- (1) Permit preparation of reports required by this part and the statutes authorizing the grant, and (2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes. (b) The financial management systems of other grantees and subgrantees must meet the following standards: (1) Financial reporting. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant. (2) Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. (3) Internal control. Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes. (4) Budget control. Actual expenditures or outlays must be compared with budgeted amounts for each grant or subgrant. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or subgrant agreement. If unit cost data are required, estimates based on available documentation will be accepted whenever possible. (5) Allowable cost. Applicable OMB cost principles, agency program regulations, and the terms of grant and subgrant agreements will be followed in determining the reasonableness, allowability, and allocability of costs. (6) Source documentation. Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc. (7) Cash management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees. (c) An awarding agency may review the adequacy of the financial management system of any applicant for financial assistance as part of a preaward review or at any time subsequent to award.

Sec. 31.21 Payment.

(a) Scope. This section prescribes the basic standard and the methods under which a Federal agency will make payments to grantees, and grantees will make payments to subgrantees and contractors. (b) Basic standard. Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance

[[Page 328]]

with Treasury regulations at 31 CFR part 205. (c) Advances. Grantees and subgrantees shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of the funds and their disbursement by the grantee or subgrantee. (d) Reimbursement. Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. Grantees and subgrantees may also be paid by reimbursement for any construction grant. Except as otherwise specified in regulation, Federal agencies shall not use the percentage of completion method to pay construction grants. The grantee or subgrantee may use that method to pay its construction contractor, and if it does, the awarding agency's payments to the grantee or subgrantee will be based on the grantee's or subgrantee's actual rate of disbursement. (e) Working capital advances. If a grantee cannot meet the criteria for advance payments described in paragraph (c) of this section, and the Federal agency has determined that reimbursement is not feasible because the grantee lacks sufficient working capital, the awarding agency may provide cash or a working capital advance basis. Under this procedure the awarding agency shall advance cash to the grantee to cover its estimated disbursement needs for an initial period generally geared to the grantee's disbursing cycle. Thereafter, the awarding agency shall reimburse the grantee for its actual cash disbursements. The working capital advance method of payment shall not be

used by grantees or subgrantees if the reason for using such method is the unwillingness or inability of the grantee to provide timely advances to the subgrantee to meet the subgrantee's actual cash disbursements. (f) Effect of program income, refunds, and audit recoveries on payment. (1) Grantees and subgrantees shall disburse repayments to and interest earned on a revolving fund before requesting additional cash payments for the same activity. (2) Except as provided in paragraph (f)(1) of this section, grantees and subgrantees shall disburse program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments. (g) Withholding payments. (1) Unless otherwise required by Federal statute, awarding agencies shall not withhold payments for proper charges incurred by grantees or subgrantees unless-- (i) The grantee or subgrantee has failed to comply with grant award conditions or (ii) The grantee or subgrantee is indebted to the United States. (2) Cash withheld for failure to comply with grant award condition, but without suspension of the grant, shall be released to the grantee upon subsequent compliance. When a grant is suspended, payment adjustments will be made in accordance with Sec. 31.43(c). (3) A Federal agency shall not make payment to grantees for amounts that are withheld by grantees or subgrantees from payment to contractors to assure satisfactory completion of work. Payments shall be made by the Federal agency when the grantees or subgrantees actually disburse the withheld funds to the contractors or to escrow accounts established to assure satisfactory completion of work. (h) Cash depositories. (1) Consistent with the national goal of expanding the opportunities for minority business enterprises, grantees and subgrantees are encouraged to use minority banks (a bank which is owned at least 50 percent by minority group members). A list of minority owned banks can be obtained from the Minority Business Development Agency, Department of Commerce, Washington, DC 20230. (2) A grantee or subgrantee shall maintain a separate bank account only when required by Federal-State agreement. (i) Interest earned on advances. Except for interest earned on advances of funds exempt under the Intergovernmental Cooperation Act (31 U.S.C. 6501 et seq.) and the Indian Self-Determination Act (23 U.S.C. 450), grantees and subgrantees shall promptly, but at least quarterly, remit interest earned on advances to the Federal agency. The

[[Page 329]]

grantee or subgrantee may keep interest amounts up to \$100 per year for administrative expenses.

Sec. 31.22 Allowable costs.

(a) Limitation on use of funds. Grant funds may be used only for: (1) The allowable costs of the grantees, subgrantees and cost-type contractors, including allowable costs in the form of payments to fixed-price contractors; and (2) Reasonable fees or profit to cost-type contractors but not any fee or profit (or other increment above allowable costs) to the grantee or subgrantee. (b) Applicable cost principles. For each kind of organization, there is a set of Federal principles for determining allowable costs. Allowable costs will be determined in accordance with the cost principles applicable to the organization incurring the costs. The following chart lists the kinds of organizations and the applicable cost principles.

	For the costs of a--Use the principles in--
	State, local or Indian tribal government.. OMB Circular
A-87. Private nonprofit organization other than OMB Circular A-122. an (1) institution of higher education, (2) hospital, or (3) organization named in OMB Circular A-122 as not subject to that circular. Educational institutions.....	OMB Circular A-21. For-profit organization other than a48 CFR part 31, Contract hospital and an organization named in OMB Cost Principles and Circular A-122 as not subject to that Procedures, or uniform cost circular. accounting standards that comply with cost principles acceptable to the Federal agency.

Sec. 31.23 Period of availability of funds.

(a) General. Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period. (b) Liquidation of obligations. A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF- 269). The Federal agency may extend this deadline at the request of the grantee.

Sec. 31.24 Matching or cost sharing.

(a) Basic rule: Costs and contributions acceptable. With the qualifications and exceptions listed in paragraph (b) of this section, a matching or cost sharing requirement may be satisfied by either or both of the following: (1) Allowable costs incurred by the grantee, subgrantee or a cost-type contractor under the assistance agreement. This includes allowable costs borne by non-Federal grants or by other cash donations from non-Federal third parties. (2) The value of third party in-kind contributions applicable to the period to which the cost sharing or matching requirements applies. (b) Qualifications and exceptions--(1) Costs borne by other Federal grant agreements. Except as provided by Federal statute, a cost sharing or matching requirement may not be met by costs borne by another Federal grant. This prohibition does not apply to income earned by a grantee or subgrantee from a contract awarded under another Federal grant. (2) General revenue sharing. For the purpose of this section, general revenue sharing funds distributed under 31 U.S.C. 6702 are not considered Federal grant funds. (3) Cost or contributions counted towards other Federal costs-sharing requirements. Neither costs nor the values of third party in-kind contributions may count towards satisfying a cost sharing or matching requirement of a grant agreement if they have been or will be counted towards satisfying a cost sharing or matching requirement of another Federal grant agreement, a Federal procurement contract, or any other award of Federal funds. (4) Costs financed by program income. Costs financed by program income, as defined in Sec. 31.25, shall not count towards satisfying a cost sharing or matching requirement unless they are expressly permitted in the terms of the assistance agreement. (This use of general program income is described in Sec. 31.25(g).)

[[Page 330]]

(5) Services or property financed by income earned by contractors. Contractors under a grant may earn income from the activities carried out under the contract in addition to the amounts earned from the party awarding the contract. No costs of services or property supported by this income may count toward satisfying a cost sharing or matching requirement unless other provisions of the grant agreement expressly permit this kind of income to be used to meet the requirement. (6) Records. Costs and third party in-kind contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and subgrantee or cost-type contractors. These records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services will be supported by the same methods that the organization uses to support the allocability of regular personnel costs. (7) Special standards for third party in-kind contributions. (i) Third party in-kind contributions count towards satisfying a cost sharing or matching requirement only where, if the party receiving the contributions were to pay for them, the payments would be allowable costs. (ii) Some third party in-kind contributions are goods and services that, if the grantee, subgrantee, or contractor receiving the contribution had to pay for them, the payments would have been an indirect costs. Costs sharing or matching credit for such contributions shall be given only if the grantee, subgrantee, or contractor has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of the contributions. (iii) A third party in-kind contribution to a fixed-price contract may count towards satisfying a cost sharing or matching requirement only if it results in: (A) An increase in the services or property provided under the contract (without additional cost to the grantee or subgrantee) or (B) A cost savings to the grantee or subgrantee. (iv) The values placed on third party in-kind contributions for cost sharing or matching purposes will conform to the rules in the succeeding sections of this part. If a third party in-kind contribution is a type not treated in those sections, the value placed upon it shall be fair and reasonable. (c) Valuation of donated services--(1) Volunteer services. Unpaid services provided to a grantee or subgrantee by individuals will be valued at rates consistent with those ordinarily paid for similar work in the grantee's or subgrantee's organization. If the grantee or subgrantee does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation. (2) Employees of other organizations. When an employer other than a grantee, subgrantee, or cost-type contractor furnishes free of charge the services of an employee in the employee's normal line of work, the services will be valued at the employee's regular rate of pay exclusive of the employee's fringe benefits and overhead costs. If the services are in a different line of work, paragraph (c)(1) of this section applies. (d) Valuation of third party donated supplies and loaned equipment or space. (1) If a third party donates supplies, the contribution will be valued at the market value of the supplies at the time of donation. (2) If a third party donates the use of equipment or space in a building but retains title, the contribution will be valued at the fair rental rate of the equipment or space. (e) Valuation of third party donated equipment, buildings, and land. If a third party donates equipment, buildings, or land, and title passes to a grantee or subgrantee, the treatment of the donated property will depend upon the purpose

of the grant or subgrant, as follows: (1) Awards for capital expenditures. If the purpose of the grant or subgrant is to assist the grantee or subgrantee in the acquisition of property, the market value of that property at the time of

[[Page 331]]

donation may be counted as cost sharing or matching, (2) Other awards. If assisting in the acquisition of property is not the purpose of the grant or subgrant, paragraphs (e)(2) (i) and (ii) of this section apply: (i) If approval is obtained from the awarding agency, the market value at the time of donation of the donated equipment or buildings and the fair rental rate of the donated land may be counted as cost sharing or matching. In the case of a subgrant, the terms of the grant agreement may require that the approval be obtained from the Federal agency as well as the grantee. In all cases, the approval may be given only if a purchase of the equipment or rental of the land would be approved as an allowable direct cost. If any part of the donated property was acquired with Federal funds, only the non-federal share of the property may be counted as cost-sharing or matching. (ii) If approval is not obtained under paragraph (e)(2)(i) of this section, no amount may be counted for donated land, and only depreciation or use allowances may be counted for donated equipment and buildings. The depreciation or use allowances for this property are not treated as third party in-kind contributions. Instead, they are treated as costs incurred by the grantee or subgrantee. They are computed and allocated (usually as indirect costs) in accordance with the cost principles specified in Sec. 31.22, in the same way as depreciation or use allowances for purchased equipment and buildings. The amount of depreciation or use allowances for donated equipment and buildings is based on the property's market value at the time it was donated. (f) Valuation of grantee or subgrantee donated real property for construction/acquisition. If a grantee or subgrantee donates real property for a construction or facilities acquisition project, the current market value of that property may be counted as cost sharing or matching. If any part of the donated property was acquired with Federal funds, only the non-federal share of the property may be counted as cost sharing or matching. (g) Appraisal of real property. In some cases under paragraphs (d), (e) and (f) of this section, it will be necessary to establish the market value of land or a building or the fair rental rate of land or of space in a building. In these cases, the Federal agency may require the market value or fair rental value be set by an independent appraiser, and that the value or rate be certified by the grantee. This requirement will also be imposed by the grantee on subgrantees.

Sec. 31.25 Program income.

(a) General. Grantees are encouraged to earn income to defray program costs. Program income includes income from fees for services performed, from the use or rental of real or personal property acquired with grant funds, from the sale of commodities or items fabricated under a grant agreement, and from payments of principal and interest on loans made with grant funds. Except as otherwise provided in regulations of the Federal agency, program income does not include interest on grant funds, rebates, credits, discounts, refunds, etc. and interest earned on any of them. (b) Definition of program income. Program income means gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. "During the grant period" is the time between the effective date of the award and the ending date of the award reflected in the final financial report. (c) Cost of generating program income. If authorized by Federal regulations or the grant agreement, costs incident to the generation of program income may be deducted from gross income to determine program income. (d) Governmental revenues. Taxes, special assessments, levies, fines, and other such revenues raised by a grantee or subgrantee are not program income unless the revenues are specifically identified in the grant agreement or Federal agency regulations as program income. (e) Royalties. Income from royalties and license fees for copyrighted material, patents, and inventions developed by a grantee or subgrantee is program income only if the revenues are specifically identified in the grant agreement

[[Page 332]]

or Federal agency regulations as program income. (See Sec. 31.34.) (f) Property. Proceeds from the sale of real property or equipment will be handled in accordance with the requirements of Secs. 31.31 and 31.32. (g) Use of program income. Program income shall be deducted from outlays which may be both Federal and non-Federal as described below, unless the Federal agency regulations or the grant agreement specify another alternative (or a combination of the alternatives). In specifying alternatives, the Federal agency may distinguish between income earned by the grantee and income earned by subgrantees and between the sources, kinds, or amounts of income. When Federal agencies authorize the alternatives in paragraphs (g) (2) and (3) of this section, program income in excess of any limits stipulated shall also be deducted from outlays. (1) Deduction. Ordinarily program income shall

be deducted from total allowable costs to determine the net allowable costs. Program income shall be used for current costs unless the Federal agency authorizes otherwise. Program income which the grantee did not anticipate at the time of the award shall be used to reduce the Federal agency and grantee contributions rather than to increase the funds committed to the project. (2) Addition. When authorized, program income may be added to the funds committed to the grant agreement by the Federal agency and the grantee. The program income shall be used for the purposes and under the conditions of the grant agreement. (3) Cost sharing or matching. When authorized, program income may be used to meet the cost sharing or matching requirement of the grant agreement. The amount of the Federal grant award remains the same. (h) Income after the award period. There are no Federal requirements governing the disposition of program income earned after the end of the award period (i.e., until the ending date of the final financial report, see paragraph (a) of this section), unless the terms of the agreement or the Federal agency regulations provide otherwise.

Sec. 31.26 Non-Federal audit.

(a) Basic rule. Grantees and subgrantees are responsible for obtaining audits in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." The audits shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial audits. (b) Subgrantees. State or local governments, as those terms are defined for purposes of the Single Audit Act Amendments of 1996, that provide Federal awards to a subgrantee, which expends \$300,000 or more (or other amount as specified by OMB) in Federal awards in a fiscal year, shall: (1) Determine whether State or local subgrantees have met the audit requirements of the Act and whether subgrantees covered by OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," have met the audit requirements of the Act. Commercial contractors (private for-profit and private and governmental organizations) providing goods and services to State and local governments are not required to have a single audit performed. State and local governments should use their own procedures to ensure that the contractor has complied with laws and regulations affecting the expenditure of Federal funds; (2) Determine whether the subgrantee spent Federal assistance funds provided in accordance with applicable laws and regulations. This may be accomplished by reviewing an audit of the subgrantee made in accordance with the Act, Circular A-110, or through other means (e.g., program reviews) if the subgrantee has not had such an audit; (3) Ensure that appropriate corrective action is taken within six months after receipt of the audit report in instance of noncompliance with Federal laws and regulations; (4) Consider whether subgrantee audits necessitate adjustment of the grantee's own records; and

[[Page 333]]

(5) Require each subgrantee to permit independent auditors to have access to the records and financial statements. (c) Auditor selection. In arranging for audit services, Sec. 31.36 shall be followed.

[53 FR 8075, 8087, Mar. 11, 1988, as amended at 62 FR 45939, 45944, Aug. 29, 1997]

Changes, Property, and Subawards

Sec. 31.30 Changes.

(a) General. Grantees and subgrantees are permitted to rebudget within the approved direct cost budget to meet unanticipated requirements and may make limited program changes to the approved project. However, unless waived by the awarding agency, certain types of post-award changes in budgets and projects shall require the prior written approval of the awarding agency. (b) Relation to cost principles. The applicable cost principles (see Sec. 31.22) contain requirements for prior approval of certain types of costs. Except where waived, those requirements apply to all grants and subgrants even if paragraphs (c) through (f) of this section do not. (c) Budget changes. (1) Nonconstruction projects. Except as stated in other regulations or an award document, grantees or subgrantees shall obtain the prior approval of the awarding agency whenever any of the following changes is anticipated under a nonconstruction award: (i) Any revision which would result in the need for additional funding. (ii) Unless waived by the awarding agency, cumulative transfers among direct cost categories, or, if applicable, among separately budgeted programs, projects, functions, or activities which exceed or are expected to exceed ten percent of the current total approved budget, whenever the awarding agency's share exceeds \$100,000. (iii) Transfer of funds allotted for training allowances (i.e., from direct payments to trainees to other expense categories). (2) Construction projects.

Grantees and subgrantees shall obtain prior written approval for any budget revision which would result in the need for additional funds. (3) Combined construction and nonconstruction projects. When a grant or subgrant provides funding for both construction and nonconstruction activities, the grantee or subgrantee must obtain prior written approval from the awarding agency before making any fund or budget transfer from nonconstruction to construction or vice versa. (d) Programmatic changes. Grantees or subgrantees must obtain the prior approval of the awarding agency whenever any of the following actions is anticipated: (1) Any revision of the scope or objectives of the project (regardless of whether there is an associated budget revision requiring prior approval). (2) Need to extend the period of availability of funds. (3) Changes in key persons in cases where specified in an application or a grant award. In research projects, a change in the project director or principal investigator shall always require approval unless waived by the awarding agency. (4) Under nonconstruction projects, contracting out, subcontracting (if authorized by law) or otherwise obtaining the services of a third party to perform activities which are central to the purposes of the award. This approval requirement is in addition to the approval requirements of Sec. 31.36 but does not apply to the procurement of equipment, supplies, and general support services. (e) Additional prior approval requirements. The awarding agency may not require prior approval for any budget revision which is not described in paragraph (c) of this section. (f) Requesting prior approval. (1) A request for prior approval of any budget revision will be in the same budget form the grantee used in its application and shall be accompanied by a narrative justification for the proposed revision. (2) A request for a prior approval under the applicable Federal cost principles (see Sec. 31.22) may be made by letter. (3) A request by a subgrantee for prior approval will be addressed in writing to the grantee. The grantee will promptly review such request and

[[Page 334]]

shall approve or disapprove the request in writing. A grantee will not approve any budget or project revision which is inconsistent with the purpose or terms and conditions of the Federal grant to the grantee. If the revision, requested by the subgrantee would result in a change to the grantee's approved project which requires Federal prior approval, the grantee will obtain the Federal agency's approval before approving the subgrantee's request.

Sec. 31.31 Real property.

(a) Title. Subject to the obligations and conditions set forth in this section, title to real property acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee respectively. (b) Use. Except as otherwise provided by Federal statutes, real property will be used for the originally authorized purposes as long as needed for that purposes, and the grantee or subgrantee shall not dispose of or encumber its title or other interests. (c) Disposition. When real property is no longer needed for the originally authorized purpose, the grantee or subgrantee will request disposition instructions from the awarding agency. The instructions will provide for one of the following alternatives: (1) Retention of title. Retain title after compensating the awarding agency. The amount paid to the awarding agency will be computed by applying the awarding agency's percentage of participation in the cost of the original purchase to the fair market value of the property. However, in those situations where a grantee or subgrantee is disposing of real property acquired with grant funds and acquiring replacement real property under the same program, the net proceeds from the disposition may be used as an offset to the cost of the replacement property. (2) Sale of property. Sell the property and compensate the awarding agency. The amount due to the awarding agency will be calculated by applying the awarding agency's percentage of participation in the cost of the original purchase to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the grant is still active, the net proceeds from sale may be offset against the original cost of the property. When a grantee or subgrantee is directed to sell property, sales procedures shall be followed that provide for competition to the extent practicable and result in the highest possible return. (3) Transfer of title. Transfer title to the awarding agency or to a third-party designated/approved by the awarding agency. The grantee or subgrantee shall be paid an amount calculated by applying the grantee or subgrantee's percentage of participation in the purchase of the real property to the current fair market value of the property.

Sec. 31.32 Equipment.

(a) Title. Subject to the obligations and conditions set forth in this section, title to equipment acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee respectively. (b) States. A State will use, manage, and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures. Other grantees and subgrantees will follow paragraphs (c) through (e) of this section. (c) Use. (1) Equipment shall be used

by the grantee or subgrantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency. (2) The grantee or subgrantee shall also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency. User fees should be considered if appropriate. (3) Notwithstanding the encouragement in Sec. 31.25(a) to earn program income, the grantee or subgrantee must not use equipment acquired with grant

[[Page 335]]

funds to provide services for a fee to compete unfairly with private companies that provide equivalent services, unless specifically permitted or contemplated by Federal statute. (4) When acquiring replacement equipment, the grantee or subgrantee may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval of the awarding agency. (d) Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements: (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated. (4) Adequate maintenance procedures must be developed to keep the property in good condition. (5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return. (e) Disposition. When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows: (1) Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency. (2) Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment. (3) In cases where a grantee or subgrantee fails to take appropriate disposition actions, the awarding agency may direct the grantee or subgrantee to take excess and disposition actions. (f) Federal equipment. In the event a grantee or subgrantee is provided federally-owned equipment: (1) Title will remain vested in the Federal Government. (2) Grantees or subgrantees will manage the equipment in accordance with Federal agency rules and procedures, and submit an annual inventory listing. (3) When the equipment is no longer needed, the grantee or subgrantee will request disposition instructions from the Federal agency. (g) Right to transfer title. The Federal awarding agency may reserve the right to transfer title to the Federal Government or a third party named by the awarding agency when such a third party is otherwise eligible under existing statutes. Such transfers shall be subject to the following standards: (1) The property shall be identified in the grant or otherwise made known to the grantee in writing. (2) The Federal awarding agency shall issue disposition instruction within 120 calendar days after the end of the Federal support of the project for which it was acquired. If the Federal awarding agency fails to issue disposition instructions within the 120 calendar-day period the grantee shall follow 31.32(e). (3) When title to equipment is transferred, the grantee shall be paid an amount calculated by applying the percentage of participation in the purchase to the current fair market value of the property.

Sec. 31.33 Supplies.

(a) Title. Title to supplies acquired under a grant or subgrant will vest,

[[Page 336]]

upon acquisition, in the grantee or subgrantee respectively. (b) Disposition. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate fair market value upon termination or completion of the award, and if

the supplies are not needed for any other federally sponsored programs or projects, the grantee or subgrantee shall compensate the awarding agency for its share.

Sec. 31.34 Copyrights.

The Federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes: (a) The copyright in any work developed under a grant, subgrant, or contract under a grant or subgrant; and (b) Any rights of copyright to which a grantee, subgrantee or a contractor purchases ownership with grant support.

Sec. 31.35 Subawards to debarred and suspended parties.

Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

Sec. 31.36 Procurement.

(a) States. When procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. Other grantees and subgrantees will follow paragraphs (b) through (i) in this section. (b) Procurement standards. (1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section. (2) Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. (3) Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when: (i) The employee, officer or agent, (ii) Any member of his immediate family, (iii) His or her partner, or (iv) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest. (4) Grantee and subgrantee procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical

[[Page 337]]

purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach. (5) To foster greater economy and efficiency, grantees and subgrantees are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services. (6) Grantees and subgrantees are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. (7) Grantees and subgrantees are encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost. (8) Grantees and subgrantees will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. (9) Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. (10)

Grantees and subgrantees will use time and material type contracts only-- (i) After a determination that no other contract is suitable, and (ii) If the contract includes a ceiling price that the contractor exceeds at its own risk. (11) Grantees and subgrantees alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to source evaluation, protests, disputes, and claims. These standards do not relieve the grantee or subgrantee of any contractual responsibilities under its contracts. Federal agencies will not substitute their judgment for that of the grantee or subgrantee unless the matter is primarily a Federal concern. Violations of law will be referred to the local, State, or Federal authority having proper jurisdiction. (12) Grantees and subgrantees will have protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency. A protestor must exhaust all administrative remedies with the grantee and subgrantee before pursuing a protest with the Federal agency. Reviews of protests by the Federal agency will be limited to: (i) Violations of Federal law or regulations and the standards of this section (violations of State or local law will be under the jurisdiction of State or local authorities) and (ii) Violations of the grantee's or subgrantee's protest procedures for failure to review a complaint or protest. Protests received by the Federal agency other than those specified above will be referred to the grantee or subgrantee. (c) Competition. (1) All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of Sec. 31.36. Some of the situations considered to be restrictive of competition include but are not limited to: (i) Placing unreasonable requirements on firms in order for them to qualify to do business, (ii) Requiring unnecessary experience and excessive bonding, (iii) Noncompetitive pricing practices between firms or between affiliated companies, (iv) Noncompetitive awards to consultants that are on retainer contracts, (v) Organizational conflicts of interest, (vi) Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing

[[Page 338]]

the performance of other relevant requirements of the procurement, and (vii) Any arbitrary action in the procurement process. (2) Grantees and subgrantees will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in- State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts State licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract. (3) Grantees will have written selection procedures for procurement transactions. These procedures will ensure that all solicitations: (i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and (ii) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals. (4) Grantees and subgrantees will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, grantees and subgrantees will not preclude potential bidders from qualifying during the solicitation period. (5) Construction grants awarded under Title II of the Clean Water Act are subject to the following "Buy American" requirements in paragraphs (c)(5) (i)-(iii) of this section. Section 215 of the Clean Water Act requires that contractors give preference to the use of domestic material in the construction of EPA-funded treatment works. (i) Contractors must use domestic construction materials in preference to nondomestic material if it is priced no more than 6 percent higher than the bid or offered price of the nondomestic material, including all costs of delivery to the construction site and any applicable duty, whether or not assessed. The grantee will normally base the computations on prices and costs in effect on the date of opening bids or proposals. (ii) The award official may waive the Buy American provision based on factors the award official considers relevant, including: (A) Such use is not in the public interest; (B) The cost is unreasonable; (C) The Agency's available resources are not sufficient to

implement the provision, subject to the Deputy Administrator's concurrence; (D) The articles, materials or supplies of the class or kind to be used or the articles, materials or supplies from which they are manufactured are not mined, produced or manufactured in the United States in sufficient and reasonably available commercial quantities or satisfactory quality for the particular project; or (E) Application of this provision is contrary to multilateral government procurement agreements, subject to the Deputy Administrator's concurrence. (iii) All bidding documents, subagreements, and, if appropriate, requests for proposals must contain the following "Buy American" provision: In accordance with section 215 of the Clean Water Act (33 U.S.C. 1251 et seq.) and implementing EPA regulations, the

[[Page 339]]

contractor agrees that preference will be given to domestic construction materials by the contractor, subcontractors, materialmen and suppliers in the performance of this subagreement. (d) Methods of procurement to be followed--(1) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the simplified acquisition threshold fixed at 41 U.S.C. 403(11) (currently set at \$100,000). If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources. (2) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in 31.36(d)(2)(i) apply. (i) In order for sealed bidding to be feasible, the following conditions should be present: (A) A complete, adequate, and realistic specification or purchase description is available; (B) Two or more responsible bidders are willing and able to compete effectively and for the business; and (C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price. (ii) If sealed bids are used, the following requirements apply: (A) The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids; (B) The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond; (C) All bids will be publicly opened at the time and place prescribed in the invitation for bids; (D) A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and (E) Any or all bids may be rejected if there is a sound documented reason. (3) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply: (i) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical; (ii) Proposals will be solicited from an adequate number of qualified sources; (iii) Grantees and subgrantees will have a method for conducting technical evaluations of the proposals received and for selecting awardees; (iv) Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and (v) Grantees and subgrantees may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

[[Page 340]]

(4) Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. (i) Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies: (A) The item is available only from a single source; (B) The public exigency or emergency for the requirement will not permit a

delay resulting from competitive solicitation; (C) The awarding agency authorizes noncompetitive proposals; or (D) After solicitation of a number of sources, competition is determined inadequate. (ii) Cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required. (iii) Grantees and subgrantees may be required to submit the proposed procurement to the awarding agency for pre-award review in accordance with paragraph (g) of this section. (e) Contracting with small and minority firms, women's business enterprise and labor surplus area firms. (1) The grantee and subgrantee will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible. (2) Affirmative steps shall include: (i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists; (ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources; (iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises; (iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises; (v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and (vi) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (e)(2) (i) through (v) of this section. (f) Contract cost and price. (1) Grantees and subgrantees must perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price. (2) Grantees and subgrantees will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. (3) Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs

[[Page 341]]

incurred or cost estimates included in negotiated prices are consistent with Federal cost principles (see Sec. 31.22). Grantees may reference their own cost principles that comply with the applicable Federal cost principles. (4) The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used. (g) Awarding agency review. (1) Grantees and subgrantees must make available, upon request of the awarding agency, technical specifications on proposed procurements where the awarding agency believes such review is needed to ensure that the item and/or service specified is the one being proposed for purchase. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the grantee or subgrantee desires to have the review accomplished after a solicitation has been developed, the awarding agency may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase. (2) Grantees and subgrantees must on request make available for awarding agency pre-award review procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc. when: (i) A grantee's or subgrantee's procurement procedures or operation fails to comply with the procurement standards in this section; or (ii) The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation; or (iii) The procurement, which is expected to exceed the simplified acquisition threshold, specifies a "brand name" product; or (iv) The proposed award is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or (v) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold. (3) A grantee or subgrantee will be exempt from the pre-award review in paragraph (g)(2) of this section if the awarding agency determines that its procurement systems comply with the standards of this section. (i) A grantee or subgrantee may request that its procurement

system be reviewed by the awarding agency to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews shall occur where there is a continuous high-dollar funding, and third-party contracts are awarded on a regular basis. (ii) A grantee or subgrantee may self-certify its procurement system. Such self-certification shall not limit the awarding agency's right to survey the system. Under a self-certification procedure, awarding agencies may wish to rely on written assurances from the grantee or subgrantee that it is complying with these standards. A grantee or subgrantee will cite specific procedures, regulations, standards, etc., as being in compliance with these requirements and have its system available for review. (h) Bonding requirements. For construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold, the awarding agency may accept the bonding policy and requirements of the grantee or subgrantee provided the awarding agency has made a determination that the awarding agency's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows: (1) A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified. (2) A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the

[[Page 342]]

contractor's obligations under such contract. (3) A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract. (i) Contract provisions. A grantee's and subgrantee's contracts must contain provisions in paragraph (i) of this section. Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy. (1) Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold) (2) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000) (3) Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by grantees and their contractors or subgrantees) (4) Compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3). (All contracts and subgrants for construction or repair) (5) Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts in excess of \$2000 awarded by grantees and subgrantees when required by Federal grant program legislation) (6) Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts awarded by grantees and subgrantees in excess of \$2000, and in excess of \$2500 for other contracts which involve the employment of mechanics or laborers) (7) Notice of awarding agency requirements and regulations pertaining to reporting. (8) Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract. (9) Awarding agency requirements and regulations pertaining to copyrights and rights in data. (10) Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions. (11) Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed. (12) Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of \$100,000) (13) Mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871). (j) Payment to consultants. (1) EPA will limit its participation in the salary rate (excluding overhead) paid to individual consultants retained by grantees or by a grantee's contractors or subcontractors to the maximum daily

rate for a GS-18. (Grantees may, however, pay consultants more than this amount). This limitation applies to consultation services of designated

[[Page 343]]

individuals with specialized skills who are paid at a daily or hourly rate. This rate does not include transportation and subsistence costs for travel performed; grantees will pay these in accordance with their normal travel reimbursement practices. (Pub. L. 99-591). (2) Subagreements with firms for services which are awarded using the procurement requirements in this part are not affected by this limitation. (k) Use of the same architect or engineer during construction. (1) If the grantee is satisfied with the qualifications and performance of the architect or engineer who provided any or all of the facilities planning or design services for a waste-water treatment works project and wishes to retain that firm or individual during construction of the project, it may do so without further public notice and evaluation of qualifications, provided: (i) The grantee received a facilities planning (Step 1) or design grant (Step 2), and selected the architect or engineer in accordance with EPA's procurement regulations in effect when EPA awarded the grant; or (ii) The award official approves noncompetitive procurement under Sec. 31.36(d)(4) for reasons other than simply using the same individual or firm that provided facilities planning or design services for the project; or (iii) The grantee attests that: (A) The initial request for proposals clearly stated the possibility that the firm or individual selected could be awarded a subagreement for services during construction; and (B) The firm or individual was selected for facilities planning or design services in accordance with procedures specified in this section. (C) No employee, officer or agent of the grantee, any member of their immediate families, or their partners have financial or other interest in the firm selected for award; and (D) None of the grantee's officers, employees or agents solicited or accepted gratuities, favors or anything of monetary value from contractors or other parties to subagreements. (2) However, if the grantee uses the procedures in paragraph (k)(1) of this section to retain an architect or engineer, any Step 3 subagreements between the architect or engineer and the grantee must meet all of the other procurement provisions in Sec. 31.36.

[53 FR 8068 and 8087, Mar. 11, 1988, and amended at 53 FR 8075, Mar. 11, 1988; 60 FR 19639, 19644, Apr. 19, 1995]

Sec. 31.37 Subgrants.

(a) States. States shall follow State law and procedures when awarding and administering subgrants (whether on a cost reimbursement or fixed amount basis) of financial assistance to local and Indian tribal governments. States shall: (1) Ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations; (2) Ensure that subgrantees are aware of requirements imposed upon them by Federal statute and regulation; (3) Ensure that a provision for compliance with Sec. 31.42 is placed in every cost reimbursement subgrant; and (4) Conform any advances of grant funds to subgrantees substantially to the same standards of timing and amount that apply to cash advances by Federal agencies. (b) All other grantees. All other grantees shall follow the provisions of this part which are applicable to awarding agencies when awarding and administering subgrants (whether on a cost reimbursement or fixed amount basis) of financial assistance to local and Indian tribal governments. Grantees shall: (1) Ensure that every subgrant includes a provision for compliance with this part; (2) Ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations; and (3) Ensure that subgrantees are aware of requirements imposed upon them by Federal statutes and regulations. (c) Exceptions. By their own terms, certain provisions of this part do not apply to the award and administration of subgrants: (1) Section 31.10; (2) Section 31.11;

[[Page 344]]

(3) The letter-of-credit procedures specified in Treasury Regulations at 31 CFR part 205, cited in Sec. 31.21; and (4) Section 31.50.

Reports, Records, Retention, and Enforcement

Sec. 31.40 Monitoring and reporting program performance.

(a) Monitoring by grantees. Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity. (b) Nonconstruction performance reports. The Federal agency may, if it decides that

performance information available from subsequent applications contains sufficient information to meet its programmatic needs, require the grantee to submit a performance report only upon expiration or termination of grant support. Unless waived by the Federal agency this report will be due on the same date as the final Financial Status Report. (1) Grantees shall submit annual performance reports unless the awarding agency requires quarterly or semi-annual reports. However, performance reports will not be required more frequently than quarterly. Annual reports shall be due 90 days after the grant year, quarterly or semi-annual reports shall be due 30 days after the reporting period. The final performance report will be due 90 days after the expiration or termination of grant support. If a justified request is submitted by a grantee, the Federal agency may extend the due date for any performance report. Additionally, requirements for unnecessary performance reports may be waived by the Federal agency. (2) Performance reports will contain, for each grant, brief information on the following: (i) A comparison of actual accomplishments to the objectives established for the period. Where the output of the project can be quantified, a computation of the cost per unit of output may be required if that information will be useful. (ii) The reasons for slippage if established objectives were not met. (iii) Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs. (3) Grantees will not be required to submit more than the original and two copies of performance reports. (4) Grantees will adhere to the standards in this section in prescribing performance reporting requirements for subgrantees. (c) Construction performance reports. For the most part, on-site technical inspections and certified percentage-of-completion data are relied on heavily by Federal agencies to monitor progress under construction grants and subgrants. The Federal agency will require additional formal performance reports only when considered necessary, and never more frequently than quarterly. (d) Significant developments. Events may occur between the scheduled performance reporting dates which have significant impact upon the grant or subgrant supported activity. In such cases, the grantee must inform the Federal agency as soon as the following types of conditions become known: (1) Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation. (2) Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned. (e) Federal agencies may make site visits as warranted by program needs. (f) Waivers, extensions. (1) Federal agencies may waive any performance report required by this part if not needed. (2) The grantee may waive any performance report from a subgrantee when not needed. The grantee may extend the due date for any performance report from a subgrantee if the grantee

[[Page 345]]

will still be able to meet its performance reporting obligations to the Federal agency.

Sec. 31.41 Financial reporting.

(a) General. (1) Except as provided in paragraphs (a) (2) and (5) of this section, grantees will use only the forms specified in paragraphs (a) through (e) of this section, and such supplementary or other forms as may from time to time be authorized by OMB, for: (i) Submitting financial reports to Federal agencies, or (ii) Requesting advances or reimbursements when letters of credit are not used. (2) Grantees need not apply the forms prescribed in this section in dealing with their subgrantees. However, grantees shall not impose more burdensome requirements on subgrantees. (3) Grantees shall follow all applicable standard and supplemental Federal agency instructions approved by OMB to the extent required under the Paperwork Reduction Act of 1980 for use in connection with forms specified in paragraphs (b) through (e) of this section. Federal agencies may issue substantive supplementary instructions only with the approval of OMB. Federal agencies may shade out or instruct the grantee to disregard any line item that the Federal agency finds unnecessary for its decisionmaking purposes. (4) Grantees will not be required to submit more than the original and two copies of forms required under this part. (5) Federal agencies may provide computer outputs to grantees to expedite or contribute to the accuracy of reporting. Federal agencies may accept the required information from grantees in machine usable format or computer printouts instead of prescribed forms. (6) Federal agencies may waive any report required by this section if not needed. (7) Federal agencies may extend the due date of any financial report upon receiving a justified request from a grantee. (b) Financial Status Report--(1) Form. Grantees will use Standard Form 269 or 269A, Financial Status Report, to report the status of funds for all nonconstruction grants and for construction grants when required in accordance with Sec. 31.41(e)(2)(iii). (2) Accounting basis. Each grantee will report program outlays and program income on a cash or accrual basis as prescribed by the awarding agency. If the Federal agency requires accrual information and the

grantee's accounting records are not normally kept on the accrual basis, the grantee shall not be required to convert its accounting system but shall develop such accrual information through and analysis of the documentation on hand.

(3) Frequency. The Federal agency may prescribe the frequency of the report for each project or program. However, the report will not be required more frequently than quarterly. If the Federal agency does not specify the frequency of the report, it will be submitted annually. A final report will be required upon expiration or termination of grant support.

(4) Due date. When reports are required on a quarterly or semiannual basis, they will be due 30 days after the reporting period. When required on an annual basis, they will be due 90 days after the grant year. Final reports will be due 90 days after the expiration or termination of grant support.

(c) Federal Cash Transactions Report--(1) Form. (i) For grants paid by letter or credit, Treasury check advances or electronic transfer of funds, the grantee will submit the Standard Form 272, Federal Cash Transactions Report, and when necessary, its continuation sheet, Standard Form 272a, unless the terms of the award exempt the grantee from this requirement. (ii) These reports will be used by the Federal agency to monitor cash advanced to grantees and to obtain disbursement or outlay information for each grant from grantees. The format of the report may be adapted as appropriate when reporting is to be accomplished with the assistance of automatic data processing equipment provided that the information to be submitted is not changed in substance.

(2) Forecasts of Federal cash requirements. Forecasts of Federal cash requirements may be required in the "Remarks" section of the report.

[[Page 346]]

(3) Cash in hands of subgrantees. When considered necessary and feasible by the Federal agency, grantees may be required to report the amount of cash advances in excess of three days' needs in the hands of their subgrantees or contractors and to provide short narrative explanations of actions taken by the grantee to reduce the excess balances.

(4) Frequency and due date. Grantees must submit the report no later than 15 working days following the end of each quarter. However, where an advance either by letter of credit or electronic transfer of funds is authorized at an annualized rate of one million dollars or more, the Federal agency may require the report to be submitted within 15 working days following the end of each month.

(d) Request for advance or reimbursement--(1) Advance payments. Requests for Treasury check advance payments will be submitted on Standard Form 270, Request for Advance or Reimbursement. (This form will not be used for drawdowns under a letter of credit, electronic funds transfer or when Treasury check advance payments are made to the grantee automatically on a predetermined basis.) (2) Reimbursements. Requests for reimbursement under nonconstruction grants will also be submitted on Standard Form 270. (For reimbursement requests under construction grants, see paragraph (e)(1) of this section.) (3) The frequency for submitting payment requests is treated in Sec. 31.41(b)(3).

(e) Outlay report and request for reimbursement for construction programs. (1) Grants that support construction activities paid by reimbursement method. (i) Requests for reimbursement under construction grants will be submitted on Standard Form 271, Outlay Report and Request for Reimbursement for Construction Programs. Federal agencies may, however, prescribe the Request for Advance or Reimbursement form, specified in Sec. 31.41(d), instead of this form. (ii) The frequency for submitting reimbursement requests is treated in Sec. 31.41(b)(3). (2) Grants that support construction activities paid by letter of credit, electronic funds transfer or Treasury check advance. (i) When a construction grant is paid by letter of credit, electronic funds transfer or Treasury check advances, the grantee will report its outlays to the Federal agency using Standard Form 271, Outlay Report and Request for Reimbursement for Construction Programs. The Federal agency will provide any necessary special instruction. However, frequency and due date shall be governed by Sec. 31.41(b)(3) and (4). (ii) When a construction grant is paid by Treasury check advances based on periodic requests from the grantee, the advances will be requested on the form specified in Sec. 31.41(d). (iii) The Federal agency may substitute the Financial Status Report specified in Sec. 31.41(b) for the Outlay Report and Request for Reimbursement for Construction Programs. (3) Accounting basis. The accounting basis for the Outlay Report and Request for Reimbursement for Construction Programs shall be governed by Sec. 31.41(b)(2).

Sec. 31.42 Retention and access requirements for records.

(a) Applicability. (1) This section applies to all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees which are: (i) Required to be maintained by the terms of this part, program regulations or the grant agreement, or (ii) Otherwise reasonably considered as pertinent to program regulations or the grant agreement. (2) This section does not apply to records maintained by contractors or subcontractors. For a requirement to place a provision concerning records in certain kinds of contracts, see Sec. 31.36(i)(10).

(b) Length of retention period. (1) Except as otherwise provided, records must be retained for three

years from the starting date specified in paragraph (c) of this section. (2) If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3- year period, the records must be retained until completion of the action and resolution of all

[[Page 347]]

issues which arise from it, or until the end of the regular 3-year period, whichever is later. (3) To avoid duplicate recordkeeping, awarding agencies may make special arrangements with grantees and subgrantees to retain any records which are continuously needed for joint use. The awarding agency will request transfer of records to its custody when it determines that the records possess long-term retention value. When the records are transferred to or maintained by the Federal agency, the 3-year retention requirement is not applicable to the grantee or subgrantee. (c) Starting date of retention period--(1) General. When grant support is continued or renewed at annual or other intervals, the retention period for the records of each funding period starts on the day the grantee or subgrantee submits to the awarding agency its single or last expenditure report for that period. However, if grant support is continued or renewed quarterly, the retention period for each year's records starts on the day the grantee submits its expenditure report for the last quarter of the Federal fiscal year. In all other cases, the retention period starts on the day the grantee submits its final expenditure report. If an expenditure report has been waived, the retention period starts on the day the report would have been due. (2) Real property and equipment records. The retention period for real property and equipment records starts from the date of the disposition or replacement or transfer at the direction of the awarding agency. (3) Records for income transactions after grant or subgrant support. In some cases grantees must report income after the period of grant support. Where there is such a requirement, the retention period for the records pertaining to the earning of the income starts from the end of the grantee's fiscal year in which the income is earned. (4) Indirect cost rate proposals, cost allocations plans, etc. This paragraph applies to the following types of documents, and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates). (i) If submitted for negotiation. If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the grantee) to form the basis for negotiation of the rate, then the 3- year retention period for its supporting records starts from the date of such submission. (ii) If not submitted for negotiation. If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the grantee) for negotiation purposes, then the 3-year retention period for the proposal plan, or computation and its supporting records starts from end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation. (d) Substitution of microfilm. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records. (e) Access to records--(1) Records of grantees and subgrantees. The awarding agency and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers, or other records of grantees and subgrantees which are pertinent to the grant, in order to make audits, examinations, excerpts, and transcripts. (2) Expiration of right of access. The rights of access in this section must not be limited to the required retention period but shall last as long as the records are retained. (f) Restrictions on public access. The Federal Freedom of Information Act (5 U.S.C. 552) does not apply to records Unless required by Federal, State, or local law, grantees and subgrantees are not required to permit public access to their records.

Sec. 31.43 Enforcement.

(a) Remedies for noncompliance. If a grantee or subgrantee materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere, the awarding agency may [[Page 348]]

take one or more of the following actions, as appropriate in the circumstances: (1) Temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee or more severe enforcement action by the awarding agency, (2) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance, (3) Wholly or partly suspend or terminate the current award for the grantee's or subgrantee's program, (i) EPA can also wholly or partly annul the current award for the grantee's or subgrantee's program, (ii) [Reserved] (4) Withhold further awards for the program, or (5) Take other remedies that may be legally available. (b) Hearings, appeals. In taking an enforcement action, the awarding agency will provide the grantee or subgrantee an opportunity for such hearing, appeal, or other administrative proceeding to which the grantee or subgrantee is entitled under any statute or regulation applicable to the action involved. (c) Effects of suspension and

termination. Costs of grantee or subgrantee resulting from obligations incurred by the grantee or subgrantee during a suspension or after termination of an award are not allowable unless the awarding agency expressly authorizes them in the notice of suspension or termination or subsequently. Other grantee or subgrantee costs during suspension or after termination which are necessary and not reasonably avoidable are allowable if: (1) The costs result from obligations which were properly incurred by the grantee or subgrantee before the effective date of suspension or termination, are not in anticipation of it, and, in the case of a termination, are noncancellable, and, (2) The costs would be allowable if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect. (d) Relationship to Debarment and Suspension. The enforcement remedies identified in this section, including suspension and termination, do not preclude grantee or subgrantee from being subject to "Debarment and Suspension" under E.O. 12549 (see Sec. 31.35).

[53 FR 8068 and 8087, Mar. 11, 1988, as amended at 53 FR 8076, Mar. 11, 1988]

Sec. 31.44 Termination for convenience.

Except as provided in Sec. 31.43 awards may be terminated in whole or in part only as follows: (a) By the awarding agency with the consent of the grantee or subgrantee in which case the two parties shall agree upon the termination conditions, including the effective date and in the case of partial termination, the portion to be terminated, or (b) By the grantee or subgrantee upon written notification to the awarding agency, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, if, in the case of a partial termination, the awarding agency determines that the remaining portion of the award will not accomplish the purposes for which the award was made, the awarding agency may terminate the award in its entirety under either Sec. 31.43 or paragraph (a) of this section.

Sec. 31.45 Quality assurance.

If the grantee's project involves environmentally related measurements or data generation, the grantee shall develop and implement quality assurance practices consisting of policies, procedures, specifications, standards, and documentation sufficient to produce data of quality adequate to meet project objectives and to minimize loss of data due to out-of-control conditions or malfunctions.

[53 FR 8076, Mar. 11, 1988]

Deschutes County
Loan to La Pine Special Sewer District
Loan Amortization Schedule

Interest Rate 4.50%

Interest Compounded Annually: Interest will be added to loan balance each June 30 based on number of days principal amount was outstanding.

Check # or Permit #	Address	Lot #	Check Clearing or Permit Issue Date	SDCs Applied (Imputed Payments)	Loans and Capitalized Interest	Principal Balance	Interest Accrued on Principal Balance
116351			06/28/04		240,019.01	240,019.01	
117083			07/19/04		206,109.45	446,128.46	621.42
118602			08/23/04		24,027.19	470,155.65	1,925.07
119872			09/17/04		248,747.87	718,903.52	1,449.11
B56572	16561 Beesley Place	36	10/18/04	2,364.30		716,539.22	2,747.59
121326			10/26/04		58,960.07	775,499.29	706.72
B57092	51879 Hollinshead PI	32	11/30/04	2,364.30		773,134.99	3,346.33
123329			12/02/04		70,822.00	843,956.99	190.64
B56818	16570 Findley Dr.		12/14/04	11,430.00		832,526.99	1,248.59
B57199	16565 Beesley PI	35	12/20/04	2,364.30		830,162.69	615.84
124574			12/26/04		93,457.13	923,619.82	614.09
B57091	16543 Daisy Place	8	01/18/05	2,364.30		921,255.52	2,619.03
126387			01/31/05		42,847.02	964,102.54	1,476.53
B57505	16551 Daisy Place	10	02/03/05	2,364.30		961,738.24	356.59
B57506	16555 Daisy Place	11	02/03/05	2,364.30		959,373.94	-
B57198	16547 Daisy Place	9	02/14/05	2,364.30		957,009.64	1,301.07
127724			02/28/05		11,899.33	968,908.97	1,651.82
B57818	51919 Fordham D	47	03/23/05	2,364.30		966,544.67	2,747.45
129150			03/28/05		24,563.43	991,108.10	595.82
B58048	51895 Fordham D	43	04/14/05	2,364.30		988,743.80	2,077.25
B58396	51931 Fordham D	45	04/26/05	2,364.30		986,379.50	1,462.80
131020			05/02/05		88,348.51	1,074,728.01	729.65
B58398	51907 Fordham D	49	05/05/05	2,364.30		1,072,363.71	397.50
B58397	16558 Daisy Place	5	05/23/05	2,364.30		1,069,999.41	2,379.77
B58444	16550 Daisy Place	6	05/23/05	2,364.30		1,067,635.11	-
B58656	51913 Fordham D	48	05/23/05	2,364.30		1,065,270.81	-
B58657	16546 Daisy Place	7	05/23/05	2,364.30		1,062,906.51	-
B58777	51937 Fordham D	44	05/23/05	2,364.30		1,060,542.21	-
B58778	51925 Fordham D	46	05/23/05	2,364.30		1,058,177.91	-
B57096	51875 Hollinshead PI	31	06/27/05	2,364.30		1,055,813.61	4,566.11
B59245	16559 Daisy PI	12	06/27/05	2,364.30		1,053,449.31	-
B59246	51871 Hollinshead PI	30	06/27/05	2,364.30		1,051,085.01	-
			06/30/05			1,051,085.01	388.76
Accrued Interest - through 6/30/05 added to loan balance					36,215.57	1,087,300.58	36,215.57
B59078	51887 Fordham D	42	07/18/05	2,364.30		1,084,936.28	2,412.91
B59240	16567 Daisy PI	14	07/18/05	2,364.30		1,082,571.98	-
B59242	16563 Daisy PI	13	07/18/05	2,364.30		1,080,207.68	-
B59243	16573 Beesley P	33	08/02/05	2,364.30		1,077,843.38	1,997.64
B59244	16569 Beesley P	34	08/02/05	2,364.30		1,075,479.08	-
B59474	51861 Hollinshead	28	08/12/05	2,364.30		1,073,114.78	1,325.93
B59482	51865 Hollingshe	29	08/12/05	2,364.30		1,070,750.48	-
B59473	51856 Hollingshe	26	08/17/05	2,364.30		1,068,386.18	660.05
B59476	51860 Hollingshe	25	08/17/05	2,364.30		1,066,021.88	-
B59480	51857 Hollingshe	27	08/17/05	2,364.30		1,063,657.58	-
B59486	51864 Hollingshe	24	08/17/05	2,364.30		1,061,293.28	-
B59541	16583 Daisy Place	16	9/6/2005	2,364.30		1,058,928.98	2,616.89
B59544	16587 Daisy Place	17	9/6/2005	2,364.30		1,056,564.68	-
B59545	16579 Daisy Place	15	9/6/2005	2,364.30		1,054,200.38	-
B59547	51868 Hollinshe	23	9/6/2005	2,364.30		1,051,836.08	-
B58069	51720 Huntington		09/14/05	20,955.00		1,030,881.08	1,037.43
B59538	16582 Daisy PI	4	10/25/2005	2,364.30		1,028,516.78	5,210.89
B59543	16586 Daisy PI	3	10/25/2005	2,364.30		1,026,152.48	-
B59610	51872 Hollingshead	22	10/25/2005	2,364.30		1,023,788.18	-
B61468	51875 Fordham D	94	03/29/06	2,364.30		1,021,423.88	19,564.17
B61489	51877 Trapper G	53	03/29/06	2,364.30		1,019,059.58	-
B61492	51883 Trapper G	52	03/29/06	2,364.30		1,016,695.28	-
B61496	51887 Trapper G	51	03/29/06	2,364.30		1,014,330.98	-
B61526	51880 Trapper G	95	03/29/06	2,364.30		1,011,966.68	-
B61527	51863 Fordham D	92	03/29/06	2,364.30		1,009,602.38	-
B61466	00000 Fordhadm D	90	4/17/2006	2,364.30		1,007,238.08	2,364.96
B61467	51857 Fordham D	91	4/17/2006	2,364.30		1,004,873.78	-
B61494	51869 Fordham D	93	4/17/2006	2,364.30		1,002,509.48	-
B61530	51871 Trapper G	54	4/17/2006	2,364.30		1,000,145.18	-
B62159	51900 Fordham D	38	06/01/06	2,364.30		997,780.88	5,548.75
B62160	51894 Fordham D	39	06/01/06	2,364.30		995,416.58	-
B62253	51839 Fordham	59	06/07/06	2,364.30		993,052.28	736.34
B62254	51834 Fordham	86	06/07/06	2,364.30		990,687.98	-
B62255	51853 Trapper	57	06/07/06	2,364.30		988,323.68	-
B62256	51859 Trapper	56	06/07/06	2,364.30		985,959.38	-
B62257	51844 Fordham	87	06/07/06	2,364.30		983,595.08	-
B62258	51858 Fordham	89	06/07/06	2,364.30		981,230.78	-
B62259	51847 Trapper	58	06/07/06	2,364.30		978,866.48	-

Deschutes County
Loan to La Pine Special Sewer District
Loan Amortization Schedule

Check # or Permit #	Address	Lot #	Check Clearing or Permit Issue Date	SDCs Applied (Imputed Payments)	Loans and Capitalized Interest	Principal Balance	Interest Accrued on Principal Balance
B61967	51874 Trapper	96	06/13/06	2,364.30		976,502.18	724.09
B61969	51865 Trapper	55	06/13/06	2,364.30		974,137.88	-
B62260	51852 Fordham	88	06/13/06	2,364.30		971,773.58	-
B62161	51880 Hollinghead	20	06/21/06	2,364.30		969,409.28	958.46
B62348	51888 Fordham D	40	06/29/06	2,364.30		967,044.98	956.13
			06/30/06				119.22
Accrued Interest - through 6/30/06 added to loan balance					46,233.88	1,013,278.85	46,233.88
B62349	51914 Fordham D	37	07/12/06	2,364.30		1,010,914.55	1,499.10
B62351	51876 Hollingshed	21	07/12/06	2,364.30		1,008,550.25	-
B62849	16594 Daisy Pl	1	08/15/06	2,364.30		1,006,185.95	4,227.62
B62850	16590 Daisy Pl	2	08/15/06	2,364.30		1,003,821.65	-
B62851	16591 Daisy Pl	18	08/15/06	2,364.30		1,001,457.35	-
B62854	16595 Daisy Pl	19	08/15/06	2,364.30		999,093.05	-
B63417	16518 Charlotte	82	10/05/06	4,254.33		994,838.72	6,281.97
B63416	16524 Chalotte	81	02/21/07	4,254.33		990,584.39	17,048.54
B63081	51821 Fordham	62	03/30/07	4,254.33		986,330.06	4,518.69
B64862	16530 Charlotte	80	04/24/07	4,254.33		982,075.73	3,040.06
B64863	16500 Charlotte	85	04/24/07	4,254.33		977,821.40	-
B64880	51860 Fordham	79	05/07/07	4,254.33		973,567.07	1,567.19
B65044	16495 Charlotte	68	05/24/07	4,254.33		969,312.74	2,040.49
B65166	16512 Charlotte	83	05/31/07	4,254.33		965,058.41	836.53
B65243	51876 Fordham D	75	06/20/07	4,254.33		960,804.08	2,379.60
B65276	51872 Fordham D	76	06/20/07	4,254.33		956,549.75	-
			06/30/07				1,179.31
Accrued Interest - through 6/30/07 added to loan balance					44,619.09	1,001,168.85	44,619.09
B65376	16519 Charlotte	72	07/06/07	4,254.33		996,914.52	740.59
Accrued Interest - through 6/30/08 added to loan balance					44,987.21	1,041,901.72	44,987.21
B68291	16489 Charlotte	67	03/30/09	4,254.33		1,037,647.39	515.91
			06/30/09			1,037,647.39	11,817.73
Accrued Interest - through 6/30/09 added to loan balance					47,028.76	1,084,676.15	47,028.76
B68242	51720 Huntington		07/16/09	74,100.00		1,010,576.15	2,139.64
B67751/2/3	16725 Burgess Rd		02/22/10	171,000.00		839,576.15	27,534.74
			06/30/10	-		839,576.15	13,249.20
Accrued Interest - through 6/30/10 added to loan balance					42,923.58	882,499.73	42,923.58
	Paid by Pahlisch	41	09/22/10	4,254.33		878,245.40	
	Paid by Pahlisch	50	09/22/10	4,254.33		873,991.07	
	Paid by Pahlisch	60	09/22/10	4,254.33		869,736.74	
	Paid by Pahlisch	61	09/22/10	4,254.33		865,482.41	
	Paid by Pahlisch	63	09/22/10	4,254.33		861,228.08	
	Paid by Pahlisch	64	09/22/10	4,254.33		856,973.75	
	Paid by Pahlisch	65	09/22/10	4,254.33		852,719.42	
	Paid by Pahlisch	66	09/22/10	4,254.33		848,465.09	
	Paid by Pahlisch	69	09/22/10	4,254.33		844,210.76	
	Paid by Pahlisch	70	09/22/10	4,254.33		839,956.43	
	Paid by Pahlisch	71	09/22/10	4,254.33		835,702.10	
	Paid by Pahlisch	73	09/22/10	4,254.33		831,447.77	
	Paid by Pahlisch	74	09/22/10	4,254.33		827,193.44	
	Paid by Pahlisch	77	09/22/10	4,254.33		822,939.11	
	Paid by Pahlisch	78	09/22/10	4,254.33		818,684.78	
	Paid by Pahlisch	84	09/22/10	4,254.33		814,430.45	
	Paid by Pahlisch	97	09/22/10	4,254.33		810,176.12	
	Paid by Pahlisch	98	09/22/10	4,254.33		805,921.79	
	Paid by Pahlisch	99	09/22/10	4,254.33		801,667.46	
	Paid by Pahlisch	100	09/22/10	4,254.33		797,413.13	
	Paid by Pahlisch	101	09/22/10	4,254.33		793,158.80	
	Paid by Pahlisch	102	09/22/10	4,254.33		788,904.47	
	Paid by Pahlisch	103	09/22/10	4,254.33		784,650.14	
	Paid by Pahlisch	104	09/22/10	4,254.33		780,395.81	
	Paid by Pahlisch	105	09/22/10	4,254.33		776,141.48	
	Paid by Pahlisch	106	09/22/10	4,254.33		771,887.15	9,139.31
	Interest through 9/30/10		09/30/10			771,887.15	761.31
	Interest Oct 1 - Dec 31, 2010		12/31/10			771,887.15	8,755.10
	Interest Jan 1 - Mar 31, 2011		03/31/11			771,887.15	8,564.78
	Interest Apr 1 - June 30, 2011		06/30/11			771,887.15	8,659.94
Accrued Interest - through 6/30/11 added to loan balance					35,880.44	807,767.59	35,880.44
	Interest Jul 1 - Jun 30, 2012		06/30/12				36,349.54
Accrued Interest - through 6/30/12 added to loan balance					36,349.54	844,117.14	36,349.54
	Interest Jul 1 - Sept 30, 2012		09/30/12			844,117.14	9,574.37
	Interest Oct 1 - Dec 31, 2012		12/31/12			844,117.14	9,574.37
	51720 Huntington		02/12/13	74,100.00		770,017.14	4,474.98
	Interest Feb 12 - Mar 31, 2013		03/31/13			770,017.14	4,461.88
	Interest Apr 1 - June 30, 2013		06/30/13			770,017.14	8,638.96
Accrued Interest - through 6/30/13 added to loan balance					36,724.56	806,741.69	36,724.56

Deschutes County
Loan to La Pine Special Sewer District
Loan Amortization Schedule

Check # or Permit #	Address	Lot #	Check Clearing or Permit Issue Date	SDCs Applied (Imputed Payments)	Loans and Capitalized Interest	Principal Balance	Interest Accrued on Principal Balance
	Interest Jul 1 - Sept 30, 2013		09/30/13			806,741.69	9,150.44
	Interest Oct 1 to Dec 31, 2013		12/31/13			806,741.69	9,150.44
	Interest Jan 1 to Mar 31, 2014		03/31/14			806,741.69	8,951.52
	Interest Apr 1 to Jun 30, 2014		06/30/14			806,741.69	9,050.98
	Accrued Interest - through 6/30/14 added to loan balance				36,303.38	843,045.07	36,303.38
	Interest Jul 1 - Sept 30, 2014		09/30/14			843,045.07	9,562.21
	Interest Oct 1 to Dec 31, 2014		12/31/14			843,045.07	9,562.21
	Interest Jan 1 to Mar 31, 2015		03/31/15			843,045.07	9,354.34
	Interest Apr 1 to Jun 30, 2015		06/30/15			843,045.07	9,458.27
	Accrued Interest - through 6/30/15 added to loan balance				37,937.03	880,982.10	37,937.03
	Interest Jul 1 - Sept 30, 2015		09/30/15			880,982.10	9,992.51
	Interest Oct 1 to Dec 31, 2015		12/31/15			880,982.10	9,992.51
	Interest Jan 1 to Mar 31, 2016		03/31/16			880,982.10	9,883.90
247-16-002185-DWL	51797 Fordham Drive		04/29/16	5,700.00		875,282.10	3,149.81
247-16-002186-DWL	51872 Fordham Drive		05/06/16	5,700.00		869,582.10	755.38
247-16-002605-DWL	51868 Fordham Drive		05/23/16	5,700.00		863,882.10	1,822.55
	Interest Apr 1 to Jun 30, 2016		06/30/16			863,882.10	4,047.23
	Accrued Interest - through 6/30/16 added to loan balance				39,643.88	903,525.98	39,643.88
247-16-003617-DWL	51868 Trapper George Lane		07/08/16	5,700.00		897,825.98	891.15
	Interest Jul 8 - Sept 30, 2016		09/30/16			897,825.98	9,298.03
Refund to Pahlisch	Adjustment to Payments		12/31/16	(5,784.00)		903,609.98	
	Interest Oct 1 - Dec 31, 2016		12/31/16			903,609.98	10,249.17
247-17-000604-DWL	51864 Fordham Road		03/27/17	4,254.00		899,355.98	
247-17-000606-DWL	51848 Hollinshead Place		03/27/17	4,254.00		895,101.98	
	Interest Jan 1 to Mar 27, 2017		03/27/17			895,101.98	9,580.74
	Interest Mar 28 to Mar 31, 2017		03/31/17			895,101.98	441.42
247-17-001033-DWL	51895 Trapper George Lane		04/05/17	4,254.00		890,847.98	
247-17-001034-DWL	51852 Hollinshead Place		04/05/17	4,254.00		886,593.98	
247-17-001035-DWL	16506 Charlotte Day Drive		04/05/17	4,254.00		882,339.98	
247-17-001037-DWL	51803 Fordham Road		04/05/17	4,254.00		878,085.98	
	Interest Apr 1 to June 30, 2017		06/30/17			878,085.98	9,310.12
	Accrued Interest - through 6/30/17 added to loan balance				39,770.63	917,856.61	39,770.63
	Interest Jul 1 - Sept 30, 2017		09/30/17			917,856.61	10,410.76
	2018/04 457 CDD		10/16/17	4,254.00		913,602.61	1,810.57
	16537 Charlotte Day		11/09/17	4,254.00		909,348.61	2,703.26
	51840 Hollingshead Pl		11/16/17	4,254.00		905,094.61	784.78
	51836 Hollingshead Pl		11/21/17	4,254.00		900,840.61	557.94
	Interest 11/21-12/31		12/31/17			900,840.61	4,442.50
	16507 Charlotte Day Drive		01/04/18	4,254.00		896,586.61	444.25
	16525 Charlotte Day Drive		01/04/18	4,254.00		892,332.61	-
	51832 Hollinshead Place		01/16/18	4,615.00		887,717.61	1,320.16
	51827 Fordham Drive		01/31/18	4,615.00		883,102.61	1,641.67
	51828 Hollinshead Place		03/02/18	4,615.00		878,487.61	3,266.27
	16513 Charlotte Day Dr		03/22/18	4,615.00		873,872.61	2,166.13
	16531 Charlotte Day Dr		03/29/18	4,615.00		869,257.61	754.16
	16501 Charlotte Day Dr		04/09/18	4,615.00		864,642.61	1,178.86
	Housing Works Apt Complex		04/16/18	95,052.00		769,590.61	746.20
	51809 Fordham Road		06/25/18	4,615.00		764,975.61	6,641.67
	Interest April 16-June 30, 2018		06/30/18			764,975.61	471.56
	Accrued Interest - through 6/30/18 added to loan balance				39,340.74	804,316.35	
	51815 Fordham Road		09/10/18	4,615.00		799,701.35	7,139.68
	51833 Fordham Road		09/10/18	4,615.00		795,086.35	-
	51856 Trapper George		10/16/18	4,615.00		790,471.35	3,528.88
	Interest Oct 17-Dec 31		12/31/18			790,471.35	7,406.61
						790,471.35	
						790,471.35	
	Accrued Interest - through 6/30/19 added to loan balance				18,075.17	808,546.52	
TOTALS				883,287.94	1,691,834.46	808,546.52	
RECAP:							
Principal						1,109,801.01	
Capitalized Interest (through December 31, 2018)						582,033.45	
Repayments						<u>(883,287.94)</u>	
Balance at December 31, 2018						<u>808,546.52</u>	

COUNCIL GOALS 2019-2020		Beautification and Revitalization	Effective Communication	Community Safety	Essential Infrastructure	Fiscal Responsibility	Economic Development	Provide Quality Services
DEPARTMENT		OBJECTIVES						
Administration								
Ongoing	Promptly respond to citizen inquiries.		X	X		X	X	X
Ongoing	Continue to evaluate City wide operations.	X	X	X	X	X	X	X
Ongoing	Enhance relationships with other agencies.		X	X		X		X
Ongoing	Maintain community calendar.		X					X
Ongoing	Continue to review and update website.		X				X	X
Ongoing	Conduct annual utility customer survey.		X	X				X
TBD	Hold an annual "State of the City" event.		X					X
Community Development								
Anticipated start date in March 2019	Start Wickiup Junction ODOT refinement plan.	X	X	X	X	X	X	X
Ongoing	Codification of municipal code.		X					X
Completed	Creation of Storefront Assistant Program.	X	X		X	X	X	
Completed/Did not receive	Pursue Safe Routes to Schools grant funding.	X		X	X	X		X
Ongoing	Continue active code enforcement.	X	X	X		X		X
Completed & Ongoing	Streamline permits and services.		X			X		X

COUNCIL GOALS 2019-2020

DEPARTMENT		OBJECTIVES		Beautification and Revitalization	Effective Communication	Community Safety	Essential Infrastructure	Fiscal Responsibility	Economic Development	Provide Quality Services
Ongoing	Plan and save for bike/pedestrian path and amenities.	X				X	X	X		X
Economic Development										
Ongoing	Increase available industrial building space in La Pine.	X	X			X	X	X	X	X
Ongoing	Establish and implement local incentive(s) program(s) for traded sector business.		X				X	X	X	
Ongoing	Proactively recruit new industry to the La Pine Industrial Park whil supporting existing industry expansion.						X	X	X	
Ongoing	Continue community education about economic development.		X						X	X
Ongoing	Increase number of land sales, leases and options on publicly owned industrial property.						X	X	X	X
Finance										
Ongoing	Maintain 10-15% contingencies in each fund.					X	X	X		X
Completed	Create transparent, easy-to-understand monthly financial statements that are available to the public.		X					X		X
Ongoing	Assure that the City is leveraging grants and loans at the best rates possible.	X	X			X	X	X	X	X

COUNCIL GOALS 2019-2020

DEPARTMENT		OBJECTIVES						
		Beautification and Revitalization	Effective Communication	Community Safety	Essential Infrastructure	Fiscal Responsibility	Economic Development	Provide Quality Services
Ongoing	Create and maintain strong reserves.	X	X	X	X	X	X	X
Ongoing	Understand the true life of City's infrastructure assets and prepare for cost replacement.		X		X	X		X
Ongoing	Explore programs to better serve citizen financial needs.		X			X		X
Ongoing	Continue to improve the budget process and document.		X			X		X
Human Resources								
Ongoing	Encourage professional development.		X			X		X
Ongoing	Cross-train staff.		X			X		X
Ongoing	Continue to monitor internal controls.		X			X		X
Public Works - Water								
Ongoing	Start design work for Water Improvement and Expansion Project.		X	X	X	X	X	X
Completed	Complete Water Rights and Mitigation Assessment to prepare for present and future needs.			X	X	X	X	X
Completed	Implement new meter reading technology.				X	X		X
Ongoing	Continue to assess staffing levels.	X	X	X	X	X	X	X

COUNCIL GOALS 2019-2020

DEPARTMENT		OBJECTIVES						
		Beautification and Revitalization	Effective Communication	Community Safety	Essential Infrastructure	Fiscal Responsibility	Economic Development	Provide Quality Services
Ongoing	Continue to identify and implement maintenance programs, such as hydrant maintenance and valve turning.			X	X	X		X
Ongoing	Increase staff certification in water.			X	X			X
Public Works - Sewer								
Ongoing	Complete design for work for Wastewater Expansion and Improvement Project.			X	X	X	X	X
Completed	Implement a pilot program for septic tank maintenance.				X	X		X
Ongoing	Upgrade and plan for aging infrastructure components, specifically lift stations (1st St., Newberry and Industrial Park).			X	X	X	X	X
Ongoing	Continue to assess staffing levels.	X	X	X	X	X	X	X
Ongoing	Integrate new equipment and technology to improve the collection system.			X	X			X
Ongoing	Increase staff certification in wastewater collection/treatment.			X	X			X
Public Works - Streets								
Completed/ Ongoing	Landscaping of Westside Streetscape Project, including HWY 97 from 1st St. through 6th St.	X		X	X		X	

COUNCIL GOALS 2019-2020

DEPARTMENT		OBJECTIVES						
		Beautification and Revitalization	Effective Communication	Community Safety	Essential Infrastructure	Fiscal Responsibility	Economic Development	Provide Quality Services
Completed	Chip seal project for Riley Drive, Betty Lane and Preble Way.			X	X	X		X
Completed	4th St. improvements to promote connectivity for the future Transit/City Center Project.	X		X	X	X		X
Ongoing	Continue to assess staffing levels.	X	X	X	X	X	X	X
Ongoing	Develop a road maintenance plan.	X		X	X			X
Public Works - Cemetery								
Ongoing	Assess and plan for future operations of the cemetery.				X	X		X
Ongoing	Install an informational/historical kiosk at the entrance.	X	X	X	X	X		X
Ongoing	Clear new sections for future expansion.				X			X
Ongoing	Organize annual clean-up day.	X	X		X	X		X