



White Salmon City Council Meeting A G E N D A

February 04, 2026 – 6:00 PM
119 NE Church Ave and Zoom Teleconference
Zoom Meeting ID: [875 9064 0215](#)
Call In: 1 253 215 8782 US (Tacoma)

I. Call to Order

- A. Land Acknowledgement Statement
- B. Pledge of Allegiance

II. Roll Call

III. Additions or Corrections to the Agenda

IV. Public Comment

Any member of the public attending the meeting, either in person or via Zoom, will have an opportunity to provide general public comment. No registration is required, and each speaker will be allowed up to three minutes. Written comments may also be submitted by emailing them to erikac@whitesalmonwa.gov by Wednesday at 12:00 p.m. All submitted comments will be included in the Council packet and the official record.

V. Presentations

- A. Heritage Month Presentation
- B. City Highlights with the Mayor

VI. Consent Agenda

- [A.](#) Acceptance of DWSRF Loan – Transmission Main Phase 2B
- [B.](#) Approval of Meeting Minutes - January 21, 2026
- [C.](#) Intergovernmental Cooperative Agreement – Hood River–White Salmon Bridge Authority
- D. Approval of Vouchers

VII. Business Items

- [A.](#) Planning Commission's 2026 Workplan (Continued from January 21, 2026)
 - 1. Presentation
 - 2. Discussion
 - 3. Action



B. Memorandum of Understanding (MOU) – Alpine Grove Properties Water Main Upsizing and Impact Fee Waiver

1. Presentation
2. Discussion
3. Action

VIII. Reports and Communications

A. Council Member/Committee Reports

B. Department Head Reports

IX. Executive Session (if needed)

X. Adjournment

File Attachments for Item:

A. Acceptance of DWSRF Loan – Transmission Main Phase 2B



COUNCIL REPORT



Business Item

Needs Legal Review:
Meeting Date:
Agenda Item:

Presented By:



Consent Agenda

Completed
2/4/2026
Acceptance of DWSRF Loan – Transmission Main Phase 2B
Chris True, Public Works Director

Action Required:

Acceptance of DWSRF Loan for Transmission Main Phase 2B, authorization for the Mayor to execute said loan and authorization for Public Works Director or designee to take all actions necessary to implement the loan agreement.

Motion for Business Item / Proposed Motion for Consent Agenda:

Move to authorize the Mayor to execute Drinking Water State Revolving Fund (DWSRF) Loan Contract No. DWL31566-0 with the Washington State Department of Health in the amount of \$6,000,000 for the Transmission Main Phase 2B project, and authorize the Public Works Director or designee to take all actions necessary to implement the loan agreement.

Background of Issue:

The City of White Salmon's drinking water transmission system includes aging infrastructure that has exceeded its useful life and presents reliability and redundancy challenges. The Transmission Main Phase 2B project is a planned capital improvement intended to replace critical sections of the transmission system and follows earlier phases of transmission main improvements. The City applied for funding through the Washington State Department of Health's Drinking Water State Revolving Fund (DWSRF) program and was awarded a low-interest loan with principal forgiveness to support this work.

Explanation of Issue:

The proposed DWSRF loan will fund construction and related project costs associated with the Transmission Main Phase 2B project. The project includes replacement and installation of drinking water transmission and distribution mains, valves, hydrants, service connections, and related appurtenances, along with engineering, inspection, permitting, and project administration. Acceptance of the loan allows the City to proceed with this critical infrastructure project while leveraging favorable financing terms and minimizing rate impacts to customers.

Council Options:

City Council has the following options available currently:

1. Accept the Staff Recommendation and approve the contract.
2. Revise the Staff Recommendation.
3. Other action as may be desired by the City Council.
4. Refer this issue back to staff for further work.
5. Take no action on this matter.

Fiscal Analysis:

- **Loan Amount:** \$6,000,000
- **Interest Rate:** 1.75%
- **Loan Term:** 24 years
- **Principal Forgiveness:** 25% (subject to final DOH approval at project completion)
- **Repayment Start:** One year after loan execution
- **Annual Payment Due:** October 1

Loan repayment will be made from Water Utility revenues. No General Fund impact is anticipated.

Recommendation of Staff/Committee:

Staff recommends approval of the DWSRF Loan Contract to allow the City to move forward with the Transmission Main Phase 2B project using favorable financing terms that include low interest and principal forgiveness.

Follow Up Action:

Upon Council approval, staff will finalize execution of the loan documents, complete remaining compliance requirements with the Department of Health, and proceed with project implementation.

A.

01/20/2026

City of White Salmon
Mayor Keethler
P.O. Box 2139
White Salmon, WA 98672-2139
Mayor@ci.white-salmon.wa.us



RE: Loan Contract Number: DWL31566-0

Dear Mayor Keethler;

Enclosed is the Drinking Water State Revolving Fund Loan Contract Number identified above for your signature. The Loan Contract details the terms and conditions that will govern the agreement between us, which includes the project's Scope of Work as a formal attachment. Failure to return the contracts within 60 calendar days of the date of this letter may result in your loan offer being withdrawn.

Review, print, and sign the document. Once signatures are obtained, please scan and return by email to your DOH contracts representative or print and sign a hard copy, and return the originals to us for full execution.

Please note that the U.S. Environmental Protection Agency is the funding source for this program and the Catalog of Federal Domestic Assistance (CFDA) number is 66.468. Consequently, the loan funds are federal and subject to both state and federal requirements.

A non-refundable one-percent loan administration fee will be collected at contract execution (If applicable), including any subsequent amendments where funds are added. The loan amount may be modified to include an amount sufficient to cover the one-percent loan administration fee. In most cases, the fee will be collected in full at contract execution. Please review the terms and conditions of the Loan Contract and all attachments carefully for details.

A requirement of the DWSRF program is that you must maintain updated project records and yearly renewal of your registration in the System for Award Management at www.sam.gov.

Another requirement of the DWSRF program is that all entities are required to verify that the federal government has not suspended or debarred them from receiving federal funds. This includes, but is not limited to, project contractors, subcontractors, engineers, architects, consultants, and equipment vendors. The Exclusion Report can be accessed at www.sam.gov. Failure to provide this required certification may result in termination of your loan contract.

After the Loan Contracts have been signed by the Department or its designee, one fully executed original will be returned to you for your files. Instructions for drawing the loan funds will be returned to you with the executed Loan Contract, as well as the necessary forms. The Loan Contract specifies that draws may be made for costs that have been incurred within the contract period of performance, and which have supporting documentation such as receipts or bills.

We are looking forward to working with you over the course of this project. If you have any questions about this Loan Contract, please contact me.

Sincerely,

Name
Brittany Cody-Pinkney
(360) 236-3046
Brittany.Cody-Pinkney@DOH.WA.GOV

Enclosures:

ATTACHMENT I: SCOPE OF WORK (PROJECT)
ATTACHMENT II: ATTORNEY'S CERTIFICATION
ATTACHMENT III: FEDERAL AND STATE REQUIREMENTS
ATTACHMENT IV: DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENTS
ATTACHMENT V: CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS
ATTACHMENT VI: DWSRF ELIGIBLE PROJECT COSTS
ATTACHMENT VII: LABOR STANDARD PROVISIONS FOR SUBRECIPIENTS THAT ARE GOVERNMENTAL ENTITIES

Washington State Department of Health

DWSRF Municipal Loan Boilerplate

September 2025

Version History		
Date	Revision(s)	Version
05-15-2018	Original - developed via a team of the DWSRF Grant and Loan Unit Supervisor, the DOH Office of Drinking Water Finance Director, the DOH Office of Contracts and Procurement Technical and Policy Advisor, and DOH’s Financial Services Assistant Attorney General.	1
09-15-2025	DOH’s Office of Drinking Water worked with AHD Assistant Attorney General to modify template and incorporate up-to-date provisions for public works projects performed in the State of Washington.	2

1. CONTRACT FACE SHEET

#2024-4354 Loan Number: DWL 31566-0
Washington State Department of Health (DOH)
Drinking Water State Revolving Fund (DWSRF)
Municipal

Borrower City of White Salmon P.O. Box 2139 White Salmon, WA 98672-2139		2. Borrower Doing Business As (optional)	
3. Borrower Type Construction Loan		4. Borrower's Statutory Authority	
5. Borrower Contract Manager Information Marla Keethler Mayor (509) 493-1133 x500 Mayor@ci.white-salmon.wa.us		6. DOH Contract Manager Brittany Cody- Pinkey P.O. Box 47822 Olympia, WA 98504-7822 360 236 3047 Brittany.Cody-Pinkey@doh.wa.gov	
7. Project Name: Transmission Main Phase 2B			
8. Loan Amount: \$6,000,000.00 Loan Fee: \$0.00 Interest Rate: 1.75%	9. Funding Source Federal: <input checked="" type="checkbox"/> State: <input type="checkbox"/> Other: <input type="checkbox"/>	10. Start Date Date of Last Signature	11. End Date 10/01/2049
12. Federal Funding Agency Environmental Protection Agency Catalogue of Federal Assistance (CFDA) Number 66.468			
13. Borrower Tax ID # 91-600152	14. SWV # 0000319-00	15. Borrower UBI # # 203-000-029	16. Borrower UEI# LXKCJLJMJB9
17. Contract Purpose DOH and the party identified above as Borrower (BORROWER), have entered into this loan agreement (CONTRACT) to fund the project identified above and further described in Attachment I (Scope of Work) (PROJECT) that furthers the goals and objectives of the DOH DWSRF Program (PROGRAM). The Project will be done by the BORROWER as described in the Attachment I (Scope of Work) and this Contract. The rights and obligations of the parties are governed by this Contract and the following documents are incorporated by reference: (1) General Terms and Conditions including Declarations; (2) Attachment I–Scope of Work; (3) Attachment II–Attorney's Certification; (4) Attachment III–Federal and State Requirements; (5) Attachment IV–Disadvantaged Business Enterprise Requirements; (6) Attachment V–Certification Regarding Debarment, Suspension, and Other Responsibility Matters; (7) Attachment VI–DWSRF Eligible Project Costs; and (8) Attachment VII–Labor Standard Provisions for Subrecipients that are Governmental Entities. By signing below, the parties acknowledge and accept the terms of this Contract.			
AUTHORIZED REPRESENTATIVE OF BORROWER		AUTHORIZED REPRESENTATIVE OF DOH	
Signature _____ Print Name _____ Title _____ Date _____		Signature _____ Print Name _____ Title _____ Date _____	

A.		<p>TEMPLATE APPROVED AS TO FORM ONLY</p> <hr/> <p>Lisa Koperski, AAG Signature on File</p> <hr/> <p><u>Sept. 16, 2025</u></p> <hr/> <p>Date</p>
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- | | |
|-------|---|
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ATTACHMENT VI	DWSRF ELIGIBLE PROJECT COSTS
ATTACHMENT VII	LABOR STANDARD PROVISIONS FOR SUBRECIPIENTS THAT ARE GOVERNMENTAL ENTITIES

3. DECLARATIONS

3.1. BORROWER INFORMATION

Legal Name: City of White Salmon
 Loan Number: DWL31566-0
Application number 2024-4354
 Award Year: 2024
 State Wide Vendor Number: 0000319-00

3.2. PROJECT INFORMATION (PROJECT)

Project Title: Transmission Main Phase IIB
 Project Location (City or County): Klickitat County
 Project State: Washington
 Project Zip Code: 98672

Project Scope of Work-Attachment I attached hereto and incorporated by reference.

3.3. CONTRACT COMMUNICATION

Communications regarding CONTRACT performance is delegated by each party to its Contract Manager. Either party may change its Contract Manager by express notice to the other party. Either party may identify on an as needed basis an alternate Contract Manager to serve during the stated temporary absence of its primary Contract Manager. Notices between the parties regarding Contract performance must be provided by written communication to the other party's Contract Manager. Written communication includes email but not voice mail. Notices are presumed received by the other party's Contract Manager upon evidence of delivery between the hours of 8:00 am to 5:00 pm except for state holidays and weekends.

3.4. LOAN INFORMATION

Loan Amount:	\$6,000,000 (Stimulus)
Loan Fee (Included in loan amount if applicable):	0.00
Principal Loan Forgiveness %:	25% (Stimulus)
Loan Term:	24 Years
Interest Rate:	1.75%
Payment Month(s):	October 1 st Annually
Earliest Date for Construction Reimbursement:	One year prior to contract execution
Time of Performance:	48 months from Contract start date (date of last signature) to Project Completion date.

Notice to Proceed: 18 months from Contract start date (date of last signature)

3.5. FUNDING INFORMATION

Total Funds from BORROWER:	To be determined
Source(s) of Funds from Borrower, with assigned amounts per source:	To be determined
Total State Funds:	To be determined
Total Amount of Federal Award (as applicable):	To be determined
Total Amount of Loan:	\$6,000,000.00
Federal Award Date:	To be determined
Federal Award ID # (FAIN):	To be determined
Amount of Federal Funds Obligated by this Action:	To be determined

3.6. SPECIAL TERMS AND CONDITIONS

N/A

4. GENERAL TERMS AND CONDITIONS

DRINKING WATER STATE REVOLVING FUND (MUNICIPAL)

4.1. AUTHORITY

Acting under the authority of Section 1452 of the Safe Drinking Water Act (**SDWA**) Section 130, RCW 39.34, RCW 43.70.040, and RCW 70.119A.170 the Washington State Department of Health (**DOH**) has awarded BORROWER identified on the Face Sheet of this CONTRACT a Drinking Water State Revolving Fund Loan (**LOAN**) for the PROJECT defined on the Face Sheet of this CONTRACT. Under this CONTRACT, BORROWER is a sub-recipient of funds provided by the United States Environmental Protection Agency (**EPA**), CFDA Number 66.468, Safe Drinking Water State Revolving Fund.

In some CONTRACT attachments, DOH is referred to as “Lender” and BORROWER is referred to as “Contractor.” DOH and BORROWER are individually a “**party**” and, collectively, the “**parties**.”

4.2. FULL AGREEMENT

This CONTRACT contains all the terms and conditions agreed upon by the parties and is the full agreement of the parties. No other understandings, oral or otherwise, regarding the subject matter of this CONTRACT will be deemed to exist or to bind any of the parties hereto.

4.3. ORDER OF PRECEDENCE

In the event of an inconsistency in this CONTRACT, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: The order of precedence for terms and conditions under categories B and C is subject to the proviso that when a contract term or condition appears in more than one contract document, the more specific contract term or condition shall control if the different contract provisions cannot be harmonized.

- A. Applicable , state and federal statutes
- B. Applicable local, state, and federal regulations
- C. CONTRACT amendments (if any)
- D. The Declarations Page of the CONTRACT
- E. The General Terms and Conditions of the CONTRACT
- F. Attachment I of the CONTRACT
- G. Attachment II of the CONTRACT
- H. Attachment III of the CONTRACT
- I. Attachment IV of the CONTRACT
- J. Attachment V of the CONTRACT
- K. Attachment VI of the CONTRACT
- L. Attachment VII of the CONTRACT

4.4. LOAN AMOUNT

DOH, using funds from the Drinking Water Assistance Account, will loan BORROWER a sum not to exceed the amount shown as “Loan Amount” in the Declarations (**LOAN AMOUNT**). The LOAN AMOUNT will not exceed 100% of the actual eligible PROJECT costs (**ELIGIBLE PROJECT COSTS**). The parties understand and agree that the LOAN AMOUNT does not include the LOAN FEE which will be charged in accordance with Section 4.5 (Loan Fee) below.

4.5. LOAN FEE

If DOH assessed a “Loan Fee” in the Declarations (**LOAN FEE**), then: (a) the LOAN FEE will be the LOAN FEE shown in the Declarations; (b) the LOAN FEE will be 1% of the loan request; and (c) the LOAN FEE will not be

reduced, regardless of the final LOAN AMOUNT at PROJECT completion. If the LOAN FEE applies and the total LOAN AMOUNT is increased through CONTRACT amendment, then DOH will assess an additional LOAN FEE equal to 1% of the additional LOAN AMOUNT. LOAN FEES are non-refundable.

4.6. LOAN TERM

Unless changed through a CONTRACT amendment, the LOAN TERM will not exceed the period of time shown in the Declarations. The repayment period for DOH subsidized loans is 24 years from this CONTRACT's start date. The repayment period for non-DOH subsidized loans is 20 years from this CONTRACT's start date.

4.7. INTEREST RATE

The interest rate is stated in the Declarations. Interest is per annum on the outstanding principal balance and starts to accrue from the date DOH releases any or all of the Loan Amount (**LOAN FUNDS**) to BORROWER in accordance with applicable law and PROGRAM AND DOH policies.

4.8. LOAN FORGIVENESS

If the LOAN qualifies for LOAN Forgiveness, then the percent of the LOAN balance that DOH will forgive at PROJECT completion is stated in the Declarations. DOH calculates the amount forgiven when DOH approves the BORROWER's Project Completion Report. The amount forgiven will be based on either the LOAN AMOUNT or BORROWER's ELIGIBLE PROJECT COSTS, whichever is less, and accrued interest.

4.9. RELEASE OF LOAN FUNDS AND REQUIRED DOCUMENTATION

DOH will release LOAN FUNDS to BORROWER to reimburse BORROWER for ELIGIBLE PROJECT COSTS. To request reimbursement, BORROWER must submit a signed and completed invoice using a form provided by DOH. The invoice must reference the PROJECT activity performed, and include supporting documentation such as bills, invoices, receipts, and documentation of compliance with CONTRACT requirements as requested by DOH. The invoice must be signed by an official of BORROWER with authority to bind BORROWER.

Invoices must also include a report of the progress of the PROJECT made since the last invoice, and the PROJECT status to date. DOH will not release funds until the PROJECT status report and documentation are approved by DOH. Approval will not be unreasonably withheld or delayed. After approving the invoice, documentation, and PROJECT status report, DOH will release funds to BORROWER within 30 days, if BORROWER is not in alleged or actual breach of any CONTRACT with a Washington state agency.

DOH will withhold 10% of LOAN FUNDS until DOH confirms that BORROWER has successfully completed all steps for PROJECT COMPLETION. The 10% holdback will be available to BORROWER as part of the last LOAN disbursement.

4.10. TIME OF PERFORMANCE

BORROWER will begin the activities in the PROJECT within 30 calendar days of the CONTRACT start date. BORROWER will issue a 'Notice to Proceed', after the formal award of a construction contract, within 18 months of the CONTRACT start date.

BORROWER must reach PROJECT COMPLETION within the Time of Performance set forth in the Declarations (**TIME OF PERFORMANCE**). If there are extenuating circumstances, BORROWER may request, in writing, at least 90 calendar days prior to the PROJECT COMPLETION that DOH extend the deadline for PROJECT COMPLETION. At its discretion, DOH may issue an extension. DOH's decision is final and not subject to the dispute clause.

If BORROWER does not meet the requirements of this Section, it is a material breach of CONTRACT, and DOH may terminate or suspend this CONTRACT immediately and for cause if DOH so desires.

1. PROJECT COMPLETION AMENDMENT AND THE PROJECT COMPLETION REPORT

The PROJECT Completion Amendment determines the final LOAN AMOUNT and LOAN TERM. When activities in the PROJECT are complete, BORROWER will start the process for the PROJECT Completion Amendment by sending DOH the PROJECT Completion Report. In the PROJECT Completion Report, BORROWER will provide the following information to DOH:

- A. A statement of the actual dollar amount spent, from all fund sources, to complete the PROJECT.
- B. A statement that all ELIGIBLE PROJECT COSTS have been incurred. Costs are incurred when goods and services are received and/or contracted work is performed.
- C. Evidence showing BORROWER'S compliance with financial the audit requirements of this CONTRACT.
- D. An invoice for the remaining ELIGIBLE PROJECT COSTS.
- E. Documentation of BORROWER's compliance with National Historic Preservation Act of 1966, 54 U.S.C. Subtitle III, Public Law 89-665, as amended (including, without limitation, by Public Law 96-515) (**NHPA** or **National Historic Preservation Act**).

4.12. LOAN PAYMENTS

BORROWER must begin repaying the LOAN no later than 1 year after the CONTRACT start date. Payments are due on the first day of the month(s) shown as the PAYMENT MONTH(S) in the Declarations. Payments are principal and interest accrued up to the PAYMENT MONTH(S).

BORROWER can repay in full the LOAN balance, including fees and repayment of LOAN FUNDS for ineligible project costs (if any), at any time or make accelerated payments without penalty. The final payment must be on or before the end of the LOAN TERM. Additionally, BORROWER must either have a dedicated general ledger account for the LOAN AMOUNT or a dedicated bank account for the LOAN AMOUNT to ensure that there is no co-mingling of the LOAN AMOUNT with other municipality resources.

4.13. DEDICATED ACCOUNT FOR LOAN PAYMENTS

Within 30 calendar days of the CONTRACT start date, BORROWER must provide DOH with documentation that BORROWER has an account at an FDIC-insured institution dedicated for repaying the LOAN. The funds and interest accrued in the account must be used solely to make LOAN payments.

During the LOAN TERM, BORROWER will ensure that by September 30th of repayment years, the dedicated account's balance is equal to one years' payment of principal, fees, and interest on the LOAN.

4.14. LOAN DEFAULT

DOH must receive BORROWER'S payment within 30 calendar days of the due date. Late payments are delinquent and assessed a monthly penalty on the 1st day past the due date. The penalty will be at the rate set forth by DOH that accords with applicable law but which the parties agree and understand may be 1% of the late payment amount per month. Penalty and fees accrue interest at the rate stated as LOAN INTEREST in the Declarations.

DOH may notify any other entity, creditors, or potential creditors of BORROWER's delinquency. BORROWER is responsible for all attorney fees and costs incurred by DOH in any action taken to enforce its rights under this Section, including in any alternative dispute resolution proceeding.

4.15. LOAN SECURITY

"Loan Security" (**LOAN SECURITY**) is only required if identified in the Declarations. If LOAN SECURITY is required under the CONTRACT, then:

- (a) BORROWER will assist DOH in completing and filing all financing statements or other collateral documentation reasonably required by DOH; and
- (b) BORROWER will execute all assignments, security agreements, and financing statements necessary to establish, perfect, and maintain the security interests of DOH.

Nothing in this Section releases BORROWER from the obligation to make LOAN PAYMENTS when due, and to adjust rates, fees, or surcharges as necessary to meet its obligations under this CONTRACT.

A.

Notwithstanding this, in its sole discretion and if allowed under the EPA regulations relevant to this Contract, DOH may subordinate its LOAN security to BORROWER's obligations under existing or future bonds and notes.

4.16. AMENDMENTS, MODIFICATIONS, ASSIGNMENTS, AND WAIVERS

Any amendments, modifications, assignments, and/or waivers to any of the terms and conditions of this CONTRACT supersede those terms as found in the original CONTRACT and will not be binding on the parties unless they are in writing and signed by representatives authorized to bind each of the parties. Only the authorized representative or their designee (where delegation is made prior to action) has the express, implied, or apparent authority to enter into, alter, amend, assign, modify, or waive any terms, clauses, or conditions of this CONTRACT. Additionally, neither this CONTRACT nor any Claim arising under this CONTRACT, will be transferred or assigned by the BORROWER without prior written consent of DOH.

Neither this CONTRACT nor any Claim arising under it may be transferred or assigned by BORROWER without DOH's prior written consent. During the LOAN TERM, DOH must approve in advance, any change in ownership of the water system(s) improved with LOAN FUNDS. DOH may require the LOAN, including LOAN FEES and/or ineligible project costs (if any) be paid in full as a condition of approval.

Nothing in this CONTRACT (including, without limitation, terms, conditions, assurances, and certifications) may be waived and/or modified unless approved in writing and signed by an authorized representative of DOH. No waiver of any default or breach is implied from any failure to take action upon such default or breach if the default or breach persists or repeats. Waiver of any default or breach will not be deemed to be a waiver of any subsequent default or breach.

4.17. BUILD AMERICA, BUY AMERICA (IF APPLICABLE)

None of the LOAN FUNDS under this CONTRACT will be used for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel, manufactured products, and construction materials used in the project are produced in the United States including, without limitation, iron and steel, manufactured products, and construction materials in accordance with the Build America, Buy America, Pub. L. No. 117-58, §§ 70901-52 (**BABA**) Requirements and/or any successor legislation. BORROWER hereby represents and warrants to and for the benefit of DOH and any other funding authority and/or source that BORROWER understands this obligation and the requirements of BABA and will use the LOAN FUNDS in accordance with the requirements set forth in this Section.

Notwithstanding this, an authorized representative of DOH may waive this requirement in writing if:

- A. Compliance would be inconsistent with the public interest; or
- B. The particular products are not produced in the United States in sufficient and reasonably available quantities and are not of a satisfactory quality; or
- C. Inclusion of products produced in the United States will increase the cost of the overall project by more than 25%; or
- D. A waiver is approved by the Environmental Protection Agency (**EPA**).

BORROWER must submit any such waiver request to DOH, which will then submit the waiver request to EPA. The full text of the Build America, Buy America provision can be found under The Infrastructure Investment and Jobs Act (**IJA**), Pub. L. No. 117-58, which includes BABA,.

4.18. ATTORNEYS' FEES

Unless expressly permitted under another Section of the CONTRACT, each party agrees to bear its own attorneys' fees and costs for litigation or other action brought to enforce the CONTRACT terms and conditions.

4.19. PROHIBITION AGAINST PAYMENT OF BONUS AND COMMISSION

LOAN FUNDS provided under this CONTRACT will not be used in payment of any bonus or commission for the purpose of obtaining approval of the loan application or any other approval under this CONTRACT. This Section does not prohibit paying reasonable fees for *bona fide* technical consultants, managerial, or other such services, if payment is for ELIGIBLE PROJECT COSTS. For the avoidance of doubt, no actual solicitation costs can be paid for

LOAN FUNDS received under this CONTRACT.

4.20. **COMPLIANCE**

BORROWER will comply with all applicable federal, state, and local laws, requirements, codes, regulations, policies, and ordinances of local and state and federal governments, as now or hereafter amended (including, without limitation, for the design, implementation, and administration) of the PROJECT and this CONTRACT, including, without limitation, those stated in the CONTRACT attachments. BORROWER will provide DOH with documentation of compliance as soon as practicable if requested by DOH or its agents.

In the event of BORROWER's alleged or actual noncompliance with any part of this CONTRACT, DOH may suspend all or part of the CONTRACT, withhold payments, and/or prohibit BORROWER from incurring additional obligations of LOAN FUNDS during the investigation and pending corrective action by BORROWER, or a decision by DOH to terminate or suspend the CONTRACT.

4.21. **CONFIDENTIALITY/SAFEGUARDING OF INFORMATION**

- A. "Confidential Information" as used in this Section includes:
 - i. All material provided to the BORROWER by DOH that is designated as "confidential" by DOH; and
 - ii. All material produced by the BORROWER that is designated as "confidential" by DOH; and
 - iii. All Personal Information in the possession of the BORROWER that may not be disclosed under state or federal law.
- B. The BORROWER will comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The BORROWER will use Confidential Information solely for the purposes of this CONTRACT and will not use, share, transfer, sell, or disclose any Confidential Information to any third party except with the prior written consent of DOH or as may be required by law. The BORROWER will take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale, or disclosure of Confidential Information or violation of any related state or federal laws. Upon request, the BORROWER will provide DOH with its policies and procedures on confidentiality. DOH may require changes to such policies and procedures as they apply to this CONTRACT whenever DOH reasonably determines that changes are necessary to prevent unauthorized disclosures. The BORROWER will make the changes within the time period specified by DOH. Upon request, the BORROWER will immediately return to DOH any Confidential Information that DOH reasonably determines has not been adequately protected by the BORROWER against unauthorized disclosure.
- C. Unauthorized Use or Disclosure. The BORROWER will notify DOH within 5 working days of BORROWER's discovery of any unauthorized use or disclosure of any confidential information and will take necessary steps to mitigate the harmful effects of such use or disclosure.

4.22. **DISPUTES**

Except as otherwise provided in this CONTRACT, when a dispute arises between the parties that cannot be solved by direct negotiation (***Dispute***), either party may request a Dispute hearing with the Director of the Office of Drinking Water (***Director***), who may designate a neutral person to decide the Dispute. The parties will be equally responsible for any reasonable costs and fees incurred by the neutral person.

The request for a Dispute hearing must:

- A. Be in writing;
- B. State the disputed issues;
- C. State the relative positions of the parties;
- D. State BORROWER's name, address, and CONTRACT number involved in or related to the Dispute;
- E. Provide contact information for the requester's representative; and
- F. Be mailed to the Director and the other party's (***Respondent's***) Contract Manager within 3 working days after the parties agree that they cannot resolve the Dispute.

The Respondent will send a written answer to the requestor's statement to both the Director or the Director's designee and the requestor within 5 working days.

In the alternative, the parties can agree to submit a mutual request to the Director, which should include each party's response to the other party's characterization of the Dispute.

A.

The Director or Director's designee will review the written statements and reply in writing to both parties within 10 working days. The Director or Director's designee may extend this period if necessary by notifying the parties. The decision on the dispute is non-binding and will not be admissible in any succeeding judicial or quasi-judicial proceeding.

This non-binding Dispute process must precede any action in a judicial or quasi-judicial tribunal. Nothing in this CONTRACT limits the parties from using any mutually acceptable alternate dispute resolution (**ADR**) method in addition to or instead of the Dispute hearing procedure outlined above.

4.23. ELIGIBLE PROJECT COSTS

BORROWER will comply with all obligations set forth under this CONTRACT including, without limitation, Attachment VI-DWSRF Eligible Project Costs and is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its contractors and/or subcontractors.

The purchase of any land necessary for the PROJECT must be included in the PROJECT and be documented with an appraisal or equivalent market evaluation, if approved by DOH, and a valid purchase and sale agreement.

Construction expenses incurred after the date shown as earliest date for construction reimbursement in the Declarations are eligible for reimbursement. Requests for reimbursements for costs related to construction activities will not be accepted until BORROWER has met the following conditions:

- A. Completed the State Environmental Review Process (SEPA Review under RCW 43.21C);
- B. Complied with all provisions of the National Historic Preservation Act;
- C. Complied with Prevailing Wage requirements;
- D. Received approval from DOH of the PROJECT report and related construction documents for all applicable activities described in the PROJECT; and
- E. Complied with any other LOAN conditions required by DOH.

For the avoidance of doubt, BORROWER cannot use LOAN FUNDS for any expenses charged by BORROWER against any other contract, subcontract, or source of funds.

If DOH reimburses BORROWER for costs that are later determined by DOH to be ineligible, BORROWER must repay these funds to DOH no later than when the BORROWER returns the PROJECT Completion Amendment to DOH. Prior to final completion, DOH may withhold payment for such costs as allowed under Section 4.36 (Recapture). Any such repayment may be subject to interest on any remaining balance, at the rate determined by state regulations and as allowed under state and federal law.

4.24. FALSE, INCORRECT, OR INCOMPLETE INFORMATION OR CLAIM

BORROWER warrants that BORROWER has not and will not submit to DOH any information that is false, incorrect, or incomplete. BORROWER understands and agrees that providing false, fictitious, or misleading information to a state agency or otherwise receiving and attesting to PROGRAM benefits that you are not entitled to is a violation of applicable state law. Such violations may be a criminal violation under state law, including, without limitation, RCW 9A.56.020 (Theft defined), RCW 9A.56.030 (Theft in the 1st degree), RCW 9A.56.040 (Theft in the 2nd degree), or other applicable statutes. Such violations for the receipt and disbursements of LOAN FUNDS may also result in civil penalties or administrative fines. The parties understand and agree that DOH may pursue all applicable remedies for violations by BORROWER under this Section.

4.25. FINANCIAL AUDIT

DOH may require BORROWER to obtain an audit of this PROJECT conforming to Generally Accepted Accounting Principles (**GAAP**) promulgated by the Financial Accounting Standards Board (**FASB**). BORROWER will maintain its records and accounts in accordance with GAAP and other applicable FASB requirements to facilitate any audit under this CONTRACT. BORROWER is responsible for correcting any audit findings. BORROWER is responsible for any audit findings incurred by its own organization and/or its contractors and/or subcontractors. DOH reserves the right to recover from BORROWER all disallowed costs and INELEGIBLE PROJECT COSTS resulting from an audit.

Audits must include a report on compliance, including an opinion (or disclaimer of opinion) about whether the BORROWER is in compliance with applicable law, regulations, and requirements of this CONTRACT. Any such audit report will also highlight any issues that could have a direct and material effect on DOH.

BORROWER will send a copy of any required audit per 2 CFR §200.512 to the DOH Contract Manager, no later than 9 months after the end of BORROWER's fiscal year. BORROWER must send any audit corrective action plan for audit findings and a copy of the management letter, within 3 months of the audit report.

4.26. FRAUD AND OTHER LOSS REPORTING

BORROWER will report in writing all known or suspected fraud or other loss of any funds or other property furnished under this CONTRACT immediately or as soon as practicable to the DOH Representative identified on the Face Sheet.

4.27. GOVERNING LAW AND VENUE

This CONTRACT will be construed and interpreted according to the laws of the State of Washington, and the venue of any action brought under the CONTRACT will be in the Superior Court for Thurston County. If any provision of this CONTRACT violates any statute or rule of law of the State of Washington, it will be considered modified to conform to that statute or rule of law.

4.28. HISTORICAL AND CULTURAL REQUIREMENTS

BORROWER will not conduct or authorize destructive PROJECT planning activities before completing the requirements under Section 106 of the National Historic Preservation Act. BORROWER will not begin construction activities, ground disturbance, or excavation of any sort, until BORROWER has complied with all requirements of the NHPA.

If historical or cultural artifacts are discovered during the PROJECT, BORROWER will immediately stop construction and implement reasonable measures to protect the discovery site from further disturbance, take reasonable steps to ensure confidentiality of the discovery site, restrict access to the site, and notify the concerned tribe's cultural staff or committee, Tribal Historical Preservation Officer (**THPO**), DOH Contract Manager, and the State's Historical Preservation Officer (**SHPO**) at the Washington State Department of Archaeology and Historic Preservation (**DAHP**). If human remains are uncovered, BORROWER will report the presence and location of the remains to the local coroner and law enforcement immediately, then contact the concerned tribe's cultural staff or committee, DOH Contract Manager, and DAHP.

BORROWER is legally and financially responsible for compliance with all laws, regulations, and agreements related to the preservation of historical or cultural sites and artifacts and will hold harmless the State of Washington and DOH in relation to any claim related to historical or cultural sites discovered, disturbed, or damaged as a result of BORROWER'S and BORROWER's contractors' and/or subcontractors' activities.

BORROWER will include the requirements of this Section in all contracts for work or services related to the PROJECT. BORROWER will require that bid documents include an inadvertent discovery plan that meets the requirements of this Section.

4.29. INDEMNIFICATION

To the fullest extent permitted by law, BORROWER will indemnify, defend, and hold harmless DOH, the State of Washington, agencies of the State, and all officials, agents, employees, and representatives of the State, from and against all Claims arising out of or incident to BORROWER'S or any BORROWER'S contractors' and/or subcontractors' performance or failure to perform the CONTRACT (including, without limitation, injury or death).

BORROWER'S obligation to indemnify, defend, and hold harmless includes any Claim by any and all of BORROWER's agents, employees, representatives, and/or subcontractor(s) (and their agents, employees, and representatives, to the extent that BORROWER is using any contractor and/or subcontractor for the Project). For the avoidance of doubt, BORROWER's obligations under this Section will not be eliminated or reduced by any actual or alleged concurrent negligence of DOH, the State of Washington, agencies of the State, or any of their officials, agents, employees, and/or representatives.

BORROWER'S obligation to indemnify, defend, and hold harmless DOH and the State of Washington includes any Claim by BORROWER'S agents, employees, officers, contractors, subcontractors, and/or contractor or subcontractor employees. Notwithstanding this, the BORROWER's obligations will not include such Claims that may be caused by the sole negligence of the State and its agencies, officers, officials, agents, and/or employees.

BORROWER waives immunity under RCW 51 to the extent it is required to indemnify, defend, and hold harmless the State of Washington and its agencies, officers, officials agents, and/or employees.

4.30. INDEPENDENT CAPACITY OF THE BORROWER

The parties intend that an independent contractor relationship will be created by this CONTRACT. The BORROWER and its employees, officers, representatives, and/or agents performing under this CONTRACT are not employees or agents of the State of Washington or DOH. The BORROWER will not hold itself out as or claim to be an officer or employee of DOH or of the State of Washington by reason hereof nor will the BORROWER make any claim of right, privilege, or benefit which would accrue to such officer or employee under law. Conduct and control of the work associated with the PROJECT will be solely with the BORROWER.

4.31. INTERNAL CONTROLS

BORROWER must designate one person as fiscal coordinator of the LOAN. BORROWER must maintain effective internal controls and comply with standards adopted by FASB.

4.32. INSURANCE COVERAGE REQUIREMENTS

A. Insurance Requirements for Reimbursable Activities

The BORROWER will have insurance coverage that is substantially similar to the coverage described in Section 4.28(B) below for all periods in which BORROWER performed work for which it will seek reimbursement. The intent of the required insurance is to protect the State of Washington should there be any Claims, suits, actions, costs, damages, or expenses arising from any loss or negligent or intentional act or omission of the BORROWER or contractor and/or subcontractor, or agents of any of them, while performing under the terms of this CONTRACT.

B. Additional Insurance Requirements During the Term of the CONTRACT

i. The BORROWER shall provide proof to DOH of insurance coverage that shall be maintained in full force and effect, as indicated below, and shall submit renewal certificates not less than 30 calendar days prior to expiration of each policy required under this Section:

a. **Commercial General Liability Insurance Policy.** Provide a Commercial General Liability Insurance Policy, including contractual liability, written on an occurrence basis, in adequate quantity to protect against legal liability arising out of or related to this CONTRACT but in no less than \$1,000,000 per occurrence. Additionally, the BORROWER is responsible for ensuring that any subcontractor provide adequate insurance coverage for the activities arising out of or related to subcontracts (if any). Commercial General Liability Insurance coverage shall be maintained in full force and effect during the term of this CONTRACT and throughout the Commitment Period.

b. **Property Insurance.** The BORROWER shall keep the property insured in an amount sufficient to permit such insurance to be written at all times on a replacement cost basis. Such insurance shall cover the following hazards, as applicable:

1. Loss or damage by fire and such other risks;
2. Loss or damage from leakage or sprinkler systems now or hereafter installed in any building on the premises;
3. Loss or damage by explosion of steam boilers, pressure vessels, oil or gasoline storage tanks, or similar apparatus now or hereafter installed in a building or building on the premises.

This property insurance coverage must be maintained in full force and effect throughout the term of this CONTRACT and the Commitment Period.

c. **Professional Liability, Errors, and Omissions Insurance.** If BORROWER will be providing any professional services to be reimbursed under this CONTRACT, the BORROWER shall maintain Professional Liability or Errors and Omissions Insurance with minimum limits of no less than \$1,000,000 per occurrence to cover all activities by the BORROWER and licensed staff employed or under contract to the BORROWER.

State of Washington, the Department of Health, its agents, officers, and employees need not be named as additional insureds under this policy. This insurance must be maintained throughout the term of the CONTRACT and Commitment Period. BORROWER will require that any subcontractors providing professional services that are reimbursable under this CONTRACT maintain Professional Liability or Errors and Omissions Insurance at the coverage levels set forth in this subsection.

d. Fidelity Insurance. Every officer, director, employee, or agent who is authorized to act on behalf of the BORROWER for the purpose of receiving or depositing funds into program accounts or issuing financial documents, checks, or other instruments of payment for program costs shall be insured to provide protection against loss where:

1. The amount of fidelity coverage secured pursuant to this CONTRACT shall be \$2,000,000 or the highest of planned reimbursement for the CONTRACT period, whichever is lower. Fidelity insurance secured pursuant to this paragraph shall name the State of Washington, the Department of Health, its agents, officers, and employees as beneficiary.
2. Subcontractors that receive \$10,000 or more per year in funding through this CONTRACT shall secure fidelity insurance as noted above. Fidelity insurance secured by subcontractors pursuant to this paragraph shall name the BORROWER and the BORROWER's fiscal agent (if any) as beneficiary.
3. Fidelity Insurance coverage shall be maintained in full force and effect from the start date of this CONTRACT until BORROWER has submitted a Closeout Certification Form, subject to the following: Fidelity Insurance must be issued on either (a) a "loss sustained" basis; or (b) if issued on a "loss-discovered" basis, provide coverage for at least 6 months following the date of BORROWER's receipt of the Closeout Certification Form.
4. Fidelity Insurance for Organizations with No Employees.

The requirement for fidelity insurance described in that term is hereby waived as long as the BORROWER does not have any employees (including, but not limited to, volunteers, work-study placements, and interns).

- ii. The insurance required shall be issued by an insurance company authorized to do business within the State of Washington. Except as otherwise set forth in this Section, each insurance policy shall name "the State of Washington, the Department of Health, and their agents, officers, and employees" as additional insureds on all policies. All policies shall be primary to any other valid and collectable insurance. The BORROWER shall instruct the insurers to give DOH 30 calendar days' advance notice of any insurance cancellation or modification.
- iii. The BORROWER shall submit to DOH within 15 calendar days of the CONTRACT start date, a certificate of insurance which outlines the coverage and limits defined in this Section including, without limitation, the type of insurance coverage under the policy, the designated beneficiary, who is covered, the amounts, the period of coverage, and that DOH will be provided 30 days' advance written notice of cancellation. During the term of the CONTRACT, the BORROWER shall submit renewal certificates not less than 30 calendar days prior to expiration of each policy required under this Section. Additionally, BORROWER shall provide copies of insurance instruments or certifications, at DOH's request and until 6 months after DOH has received a Closeout Certification Form from BORROWER. Copies of such insurance instruments and certifications will be provided within 15 calendar days of DOH's request unless otherwise agreed to by the parties.

iv. BORROWER and Local Governments that Participate in a Self-Insurance Program.

Self-Insured/Liability Pool or Self-Insured Risk Management Program – With prior approval from DOH, the BORROWER may provide the coverage above under a self-insured/liability pool or self-insured risk management program. In order to obtain permission from DOH, the BORROWER will provide: (1) a description of its self-insurance program and (2) a certificate and/or letter of coverage that outlines coverage limits and deductibles. All self-insured risk management programs or self-insured/liability pool financial reports must comply with GAAP and adhere to accounting standards promulgated by: 1) Governmental Accounting Standards Board (GASB), 2) FASB, and 3) the Washington State Auditor's annual instructions for financial reporting. BORROWER's participating in joint risk pools will maintain sufficient documentation to support the aggregate claim liability information reported on the balance sheet. The State of Washington, the Department of Health, and their agents, officers, and employees need not be named as additional insured under a self-insured property/liability pool, if the pool is prohibited from naming third parties as additional insured.

A.

BORROWER will provide annually to DOH a summary of coverages and a letter of self- insurance, evidencing continued coverage under BORROWER's self-insured/liability pool or self-insured risk management program. Such annual summary of coverage and letter of self-insurance will be provided on the anniversary of the start date of this CONTRACT.

4.33. INDUSTRIAL INSURANCE COVERAGE

In addition to the requirements set forth in Section 4.[31] (Insurance Coverage Requirements) above, BORROWER understands and agrees that BORROWER and its contractors and/or subcontractors (if any) will comply with the applicable parts of RCW 51 RCW (Industrial Insurance). If BORROWER and/or any of its contractors and/or subcontractors (if any) fail to provide industrial insurance coverage or fail to pay premiums or penalties on behalf of its employees as required by law, DOH may collect from BORROWER the full amount payable to the Industrial Insurance Accident Fund. DOH may deduct the amount owed by BORROWER and/or any of its contractors (if any) to the accident fund from the amount payable to BORROWER by DOH under this CONTRACT and transmit the deducted amount to the Washington State Department of Labor and Industries (**L&I**) Division of Insurance Services. This provision does not waive any of L&I's rights to collect from the BORROWER and/or any of its contractors (if any).

4.34. LAWS

The BORROWER will comply with all applicable laws, ordinances, codes, regulations, and policies of local, state, and federal governments, as now or hereafter amended.

4.35. LICENSING, ACCREDITATION, AND REGISTRATION

The BORROWER will comply with all applicable local, state, and federal licensing, accreditation, and registration requirements or standards necessary for the performance of this CONTRACT.

4.36. LITIGATION

BORROWER warrants that there is no threatened or pending litigation, investigation, or legal action before any court, arbitrator, or administrative agency that, if adversely determined against BORROWER, would have a materially adverse effect on BORROWER's ability to repay the LOAN AMOUNT. BORROWER agrees to promptly notify DOH if any above-referenced actions become known to BORROWER during the pendency of the CONTRACT.

4.37. NONCOMPLIANCE WITH NONDISCRIMINATION LAWS

A. During the performance of this CONTRACT, the BORROWER, including any contractor and/or subcontractor, will comply with all federal, state, and local nondiscrimination laws, regulations, and policies including, without limitation, not discriminate on the bases enumerated at RCW 49.60.530(3). In addition, BORROWER, including any contractor and/or subcontractor, will give written notice of this nondiscrimination requirement to any labor organizations with which BORROWER, or contractor and/or subcontractor, has a collective bargaining or other agreement. The LOAN FUNDS will not be used to fund religious worship, exercise, or instruction. No person will be required to participate in any religious worship, exercise, or instruction in order to have access to the facilities funded by this CONTRACT.

B. **Obligation to Cooperate.** BORROWER, including any contractor and/or subcontractor, shall cooperate and comply with any Washington state agency investigation regarding any allegation that BORROWER, including any contractor and/or subcontractor, has engaged in discrimination prohibited by this CONTRACT pursuant to RCW 49.60.530(3).

C. **Default.** Notwithstanding any provision to the contrary, DOH may suspend BORROWER, including any contractor and/or subcontractor, upon notice of a failure to participate and cooperate with any state agency investigation into alleged discrimination prohibited by this CONTRACT, pursuant to RCW 49.60.530(3). Any such suspension will remain in place until DOH receives notification that BORROWER, including any contractor and/or subcontractor, is cooperating with the investigating state agency. In the event BORROWER, or contractor and/or subcontractor, is determined to have engaged in discrimination identified at RCW 49.60.530(3), DOH may terminate this CONTRACT in whole or in part, and BORROWER, contractor, subcontractor, or any or all, may be referred for debarment as provided in RCW 39.26.200. BORROWER or contractor or subcontractor may be given a reasonable time in which to cure this noncompliance, including implementing conditions consistent with any court-ordered injunctive relief or settlement agreement. Failure by BORROWER to carry out these requirements is a material

breach of this CONTRACT and subject to termination for cause.

4.38. PAY EQUITY

The BORROWER will ensure that “similarly employed” individuals in its workforce are compensated as equals, consistent with the following:

- A. Employees are “similarly employed” if the individuals work for the same employer, the performance of the job requires comparable skill, effort, and responsibility, and the jobs are performed under similar working conditions. Job titles alone are not determinative of whether employees are similarly employed;
- B. BORROWER may allow differentials in compensation for its workers if the differentials are based in good faith and on any of the following:
 - i. A seniority system; a merit system; a system that measures earnings by quantity or quality of production; a bona fide job-related factor or factors; or a bona fide regional difference in compensation levels; and/or
 - ii. A bona fide job-related factor or factors may include, but not be limited to, education, training, or experience that is: (a) consistent with business necessity; (b) not based on or derived from a gender-based differential; and (c) accounts for the entire differential; and/or
 - iii. A bona fide regional difference in compensation level must be: (a) Consistent with business necessity; (b) not based on or derived from a gender-based differential; and (c) account for the entire differential.

This CONTRACT may be terminated by DOH, if DOH or the Department of Enterprise Services determines that the BORROWER is not in compliance with this Section.

4.39. POLITICAL ACTIVITIES

Political activity of BORROWER employees and officers are limited by the Campaign Disclosure and Contribution provisions of RCW 42.17a and the Federal Hatch Act, 5 USC 1501 - 1508.

No funds may be used for working for or against ballot measures or for or against the candidacy of any person for public office.

4.40. PREVAILING WAGE

BORROWER will assure that all contractors and subcontractors performing work funded through this CONTRACT comply with prevailing wage laws by paying the higher of state or federal prevailing wages. BORROWER is legally and financially responsible for compliance with the prevailing wage requirements. The BORROWER certifies that all contractors and subcontractors performing work on the Project shall comply with State Prevailing Wages on Public Works, RCW 39.12, as applicable to the Project funded by this CONTRACT, including, but not limited to, the filing of the “Statement of Intent to Pay Prevailing Wages” and “Affidavit of Wages Paid” as required by RCW 39.12.040. The BORROWER shall maintain records sufficient to evidence compliance with RCW 39.12 and shall make such records available for DOH’s review upon request. BORROWER is advised to consult the United States Department of Labor and/or the Industrial Statistician at the Washington State Department of Labor and Industries to determine whether and what federal and state prevailing wages must be paid. DOH is not responsible for determining whether or what prevailing wage applies to this Project and/or for any prevailing wage payments that may be required by law.

4.41. PROCUREMENT

BORROWER will comply with all procurement policies, procedures, and requirements for contracting and/or subcontracting for the PROJECT and for obtaining PROJECT-related goods and services funded through this CONTRACT. BORROWER and its contractors and/or subcontractors must receive approval from DOH before entering into any sole source contract or contract where only one bid or proposal was received if the value of the contract is likely to exceed \$5,000. BORROWER’S request for DOH approval must include a copy of the proposed contract(s), all related procurement documents, and justification for non-competitive procurement.

BORROWER will ensure that all contractors, subcontractors, engineers, vendors, and any other entity for work or services listed in the PROJECT will insert in full, in any contract, the labor standards provisions in Attachment VIII- Labor Standard Provisions for Subrecipients That Are Governmental Entities.

BORROWER will maintain records to verify compliance with procurement requirements, including, without limitation, identifying the procurement method used, the reason for selecting the contractor, the rationale used for selecting

the contract type, the reason(s) for selecting and rejecting bidders or qualified firms, and the basis for the contract cost or price.

4.42. PROHIBITION STATEMENT

Per Section 106 of the federal Trafficking Victims Protection Act, BORROWER's contractors, subcontractors, engineers, vendors, and any other entity performing work funded by this CONTRACT must comply with and include the following terms and conditions in all contracts for work or services for the PROJECT.

"All forms of trafficking in persons, illegal sex trade, or forced labor practices are prohibited in the performance of this award or subawards under the award, or in any manner during the period of time that the award is in effect. This prohibition applies to you as the recipient, your employees, subrecipients under this award, and subrecipients' employees."

4.43. PROJECT SIGNS

If BORROWER displays, during the TIME OF PERFORMANCE, any signs or markers identifying parties that are providing funds for the PROJECT, BORROWER must include the Washington State Department of Health Drinking Water State Revolving Fund and the Washington State Department of Health as participants in the PROJECT.

4.44. PUBLIC RECORDS ACT

Notwithstanding General Terms and Conditions Section [4.20] (Confidentiality/Safeguarding of Information), DOH is a public agency subject to the Public Records Act, RCW 42.56 (PRA). Under the PRA, all materials relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used, or retained by DOH or its functional equivalents are considered public records. The PRA requires that public records responsive to a public records request be promptly produced unless the PRA or an "other statute" exempts such records from production. This CONTRACT is not intended to alter DOH's obligations under the PRA. The parties agree that if DOH receives a public records request for files that may include confidential information under Section [4.20] (Confidentiality/Safeguarding of Information), DOH may notify the other party of the request and of the date that the records will be released to the requester unless BORROWER obtains a court order enjoining disclosure. If the BORROWER fails to obtain the court order enjoining disclosure, DOH may release the requested information on the date specified. If the BORROWER obtains a court order from a court of competent jurisdiction enjoining disclosure pursuant to the PRA, DOH will maintain the confidentiality of the information per the court order.

4.45. PUBLICITY

BORROWER agrees not to publish or use any advertising or publicity materials in which the State of Washington or DOH's name is mentioned, or language used from which the connection with the State of Washington's or DOH's name may reasonably be inferred or implied, without the prior written consent of DOH.

4.46. RATES AND RESERVES

BORROWER will maintain reserves at a minimum as required by the Water System Plan or Small Water System Management Plan. BORROWER will timely adopt rate increases and/or capital assessments for the system's services to provide sufficient funds, along with other revenues of the system, to pay all operating expenses and debt repayments during the LOAN TERM.

4.47. RECAPTURE

In the event that the BORROWER fails to perform this CONTRACT in accordance with state or federal laws, and/or the provisions of this CONTRACT, DOH reserves the right to recapture LOAN FUNDS from BORROWER in an amount to compensate DOH for BORROWER's noncompliance with any part of this CONTRACT, in addition to any other remedies available under the CONTRACT, at law, or in equity. DOH may withhold LOAN FUNDS from BORROWER to recapture such funds. DOH's ability to recapture or seek remedies shall survive any receipt of a Closeout Certification Form or termination of this CONTRACT.

4.48. RECORDKEEPING AND ACCESS TO RECORDS

The BORROWER will maintain books, records, documents, data, and other evidence relating to this CONTRACT and performance of the services described herein, including, but not limited to, accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this CONTRACT.

A.

DOH, the Office of the State Auditor, and federal and state officials so authorized by law, regulation, or agreement (and any of their agents) will have full access and the right to examine, copy, excerpt, or transcribe, at no additional cost and at all reasonable times, any pertinent documents, papers, records, and books (including, without limitation, materials generated under the CONTRACT) of BORROWER and of persons, firms, or organizations with which BORROWER may contract, involving transactions related to this CONTRACT. BORROWER agrees to keep complete records of its compliance with this CONTRACT for a period of 6 years from the date that the debt to DOH is paid in full. This includes, but is not limited to, financial reports.

If any litigation, Claim, or audit is started before the expiration of the 6 year period, BORROWER must keep the records until all litigation, Claims, or audit findings involving the records have been resolved. These records retention requirements are in addition to the local government records retention schedules applicable to the BORROWER.

4.49. REDUCTION IN FUNDS

In the event that funds appropriated for the Project contemplated under this CONTRACT are withdrawn, reduced, or limited in any way by any funding source (including, without limitation, the federal government) during the CONTRACT period, the parties understand and agree that DOH may suspend, amend, or terminate the CONTRACT to abide by the revised funding limitations. The parties understand and agree that BORROWER will be bound by any such revised funding limitations as implemented at the discretion of DOH and, if and as requested by DOH, will meet and renegotiate the CONTRACT accordingly.

4.50. REGISTRATION WITH THE SYSTEM FOR AWARD MANAGEMENT (SAM)

BORROWER must comply with 48 CFR 52.204-7 to register with the System for Awards Management (SAM.gov). BORROWER is responsible for the accuracy and completeness of its data in the SAM database and any liability resulting from the federal government or DOH reliance on inaccurate or incomplete data in it. BORROWER must remain registered in the SAM database. BORROWER should annually review its information in SAM to ensure it is accurate and complete.

4.51. RIGHT OF INSPECTION

At no additional cost, the BORROWER will provide right of access to its facilities to DOH, or any of its officers, or to any other authorized agent or official of the State of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this CONTRACT. At no additional cost, the BORROWER will also provide any documents related to this CONTRACT to DOH upon request to assist DOH in the periodic monitoring of this CONTRACT.

4.52. SEVERABILITY

The provisions of this CONTRACT are intended to be severable. If any part of this CONTRACT or part of any document incorporated by reference is found to be illegal or invalid for any reason whatsoever, it will not affect the legality or validity of the remainder of the CONTRACT. For the avoidance of doubt, other parts of this CONTRACT that can be given effect without the illegal or invalid part will remain in full force and effect.

4.53. SITE SECURITY

While on DOH premises, BORROWER, its agents, employees, and/or subcontractors will conform in all respects with physical, fire, and other security policies or regulations.

4.54. STATE PUBLIC WORKS

For work done at the cost of the State, BORROWER must comply with public works statutes RCW 39.04 and RCW 39.10, apprenticeship requirements, and the State and local building codes, as applicable. If BORROWER has questions about compliance, BORROWER will need to visit the Washington State Department of Labor & Industries Public Works Projects website for more information.

4.55. SUBCONTRACTING

A. Prior to awarding contracts and/or subcontracts, BORROWER must verify that the complete names of both the selected contractor and the owner or president are not in the Federal Excluded Parties List System for Ineligible

A.

Professionals and Debarred Contractors (www.SAM.gov). BORROWER must provide the DOH Contract Manager with a screen printout documenting that neither the firm, the owner or the president are excluded.

- B. BORROWER will execute binding written agreements with all contractors and subcontractors that will perform work under this CONTRACT.
- C. BORROWER will ensure that every contract and subcontract awarded for the PROJECT after the CONTRACT start date will bind the parties to follow all applicable terms of this CONTRACT.
- D. BORROWER will ensure that any and all contractors and subcontractors that perform work related to this Project are duly authorized and licensed in Washington State to perform the work contemplated by this CONTRACT.
- E. Neither the BORROWER nor any contractor or subcontractor shall enter into contracts or subcontracts for any of the work associated with the Project contemplated under this CONTRACT without obtaining prior written approval of DOH. In no event will the existence of the contract or subcontract operate to release or reduce the liability of the BORROWER to DOH for any breach in the performance of the BORROWER's duties. This clause does not include grants of employment between the BORROWER and personnel assigned to perform work associated with the Project under this CONTRACT.
- F. BORROWER is responsible for ensuring that all terms, conditions, assurances, and certifications set forth in this CONTRACT are carried forward to any contracts and/or subcontracts and that BORROWER is responsible for any noncompliance by its contractors and/or subcontractors for work performed on the Project. Every contract and/or subcontract will include a term that DOH and the State of Washington are not liable for Claims or damages arising from a contractor's and/or subcontractor's performance of such contract or subcontract. BORROWER and its contractors and/or subcontractors agree not to release, divulge, publish, transfer, sell, or otherwise make known to unauthorized persons personal information without the express written consent of DOH or as provided by applicable law. For the avoidance of doubt, BORROWER's contracts or subcontracts will not release or reduce the BORROWER's liability to DOH for any breach in the performance of BORROWER's duties. Also for the avoidance of doubt, BORROWER's contracts and subcontracts will include a term that the State of Washington and DOH are not liable for claims or damages arising from a contractor and/or subcontractor's performance or lack thereof.
- G. Data Collection - BORROWER will submit reports, in a form and format to be provided by DOH and at intervals as agreed by the parties, regarding work under this CONTRACT performed by contractors and/or subcontractors and the portion of LOAN FUNDS expended for work performed by contractors and/or subcontractors.
- H. The BORROWER will maintain written procedures related to contractors and/or subcontractors as well as copies of all contracts and/or subcontracts and associated records. For cause, DOH in writing may: (a) require that the BORROWER amend its procedures for contracts and/or subcontractors as they relate to this CONTRACT; (b) prohibit the BORROWER from hiring contractors and/or subcontractors with a particular person or entity; or (c) require that the BORROWER rescind or amend a contract or subcontract.
- I. The BORROWER is responsible to DOH if the contractor and/or subcontractor fails to comply with any applicable term or condition of this CONTRACT. The BORROWER will appropriately monitor the activities of the contractor and/or subcontractor to assure fiscal conditions of this CONTRACT. In no event will the existence of a contract and/or subcontract operate to release or reduce the liability of the BORROWER to DOH for any breach in the performance of the BORROWER's duties.

4.56. SURVIVAL

The terms, conditions, and warranties contained in this CONTRACT that by their sense and context are intended to survive the completion of the performance, cancellation, or termination of this CONTRACT shall so survive including, without limitation, any Recapture provision in this CONTRACT.

4.57. TAXES

All payments accrued on account of payroll taxes, unemployment contributions, the BORROWER's income or gross receipts, and/or any other taxes, insurance, or expenses for the BORROWER or its staff shall be the sole responsibility of the BORROWER.

8. TERMINATION FOR CAUSE

If DOH determines that BORROWER has failed to comply with the terms and conditions of this CONTRACT in a timely manner, DOH may, at its sole discretion, upon notice to BORROWER, terminate or suspend the CONTRACT in whole or in part.

The notice will be in writing and state the reason(s) for termination or suspension, and the effective date. The effective date will be determined by DOH. The notice will allow BORROWER at least 30 business days to cure the breach, if curable. If the breach is not cured or cannot be cured within 30 business days, the outstanding balance of the LOAN, with any interest accrued and other costs as authorized by the CONTRACT shall be due and payable to DOH.

If DOH terminates or suspends this CONTRACT under this Section, DOH is only liable for payment required under the terms and conditions of this CONTRACT for ELIGIBLE PROJECT COSTS incurred prior to the effective date of termination. If DOH terminates or suspends this CONTRACT under this Section, the BORROWER will be liable for damages as authorized by law including, without limitation, any cost difference between the original CONTRACT and the replacement or cover CONTRACT and all administrative costs directly related to the replacement CONTRACT (e.g., cost of the competitive bidding, mailing, advertising and staff time). Notwithstanding this, DOH reserves the right to suspend all or part of the CONTRACT, withhold further payments, or prohibit the BORROWER from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the BORROWER or a decision by DOH to terminate the CONTRACT.

At DOH's sole discretion, the termination for cause may be deemed a "Termination or Suspension for Convenience" under Section [4.53] if DOH determines that the BORROWER was not in default or if any default or failure to perform under this CONTRACT was outside BORROWER's control, fault, or negligence. The rights and remedies of DOH provided in this CONTRACT are not exclusive and are in addition to any other rights and remedies provided under applicable law. Nothing in this Section affects BORROWER's obligations to immediately repay the unpaid balance of the LOAN AMOUNT as prescribed in the Washington Administrative Code (**WAC**) 246-296-150.

4.59. TERMINATION FOR FRAUD

In the event that the BORROWER commits fraud or makes any misrepresentation in connection with the loan application or during the performance of this CONTRACT, DOH reserves the right to terminate or amend this CONTRACT accordingly, including the right to recapture all funds disbursed to the BORROWER under the CONTRACT.

4.60. TERMINATION OR SUSPENSION FOR CONVENIENCE

If funding or appropriation from state, federal, or other sources is withdrawn, reduced, or limited in any way during the TIME OF PERFORMANCE, DOH may:

- A.** Delay or suspend releasing LOAN FUNDS until funding or appropriation are available to DOH; or
- B.** Amend the CONTRACT to reflect the new funding limitations and conditions; or
- C.** Terminate the CONTRACT and/or its attached agreements, in whole or in part; or
- D.** Suspend the CONTRACT and/or its attached agreements, in whole or in part.

If DOH terminates the CONTRACT under this Section, DOH will notify BORROWER's representative in writing of the reason(s) for termination, and the effective date. Termination of the CONTRACT will be effective as of the date determined by DOH.

DOH may choose to suspend this CONTRACT, in whole or in part, if DOH determines that the funding insufficiency will likely be resolved in time for BORROWER to resume activities prior to the end of the TIME OF PERFORMANCE. DOH will notify BORROWER's representative by email of the reason(s) for suspension, and the effective date. DOH will determine the effective date. BORROWER must suspend performance on the effective date of the suspension. During the period of suspension, each party must notify the other party's representative of any conditions that may reasonably affect its ability to resume performance.

A.

During the suspension, when DOH determines that the funding insufficiency is resolved, DOH may notify BORROWER's representative of the proposed date to resume performance. BORROWER must respond to DOH's representative in writing, within 5 business days of DOH sending notice, as to whether it can resume performance on that date or offer an alternative date to resume performance. If BORROWER cannot resume performance or the alternative date is not acceptable to DOH, the parties agree the CONTRACT will be deemed terminated for convenience, retroactive to the original date of suspension.

If DOH terminates or suspends this CONTRACT, DOH will be liable only for payment required under the terms of this CONTRACT for ELIGIBLE PROJECT COSTS for services rendered or goods received that were incurred prior to the effective date of suspension or termination, and payment for any work done on the CONTRACT prior to the loss of funding will be done in accordance with the requirements of the funding source. Nothing in this Section shall affect BORROWER's obligations to repay the unpaid balance of the LOAN. Nothing in this Section affects BORROWER's obligation to repay the LOAN, including fees and other expenses as allowed by the CONTRACT. For the avoidance of doubt, should funding from any funding source (including, without limitation, federal funding) that supports this CONTRACT be withdrawn, reduced, or limited in any way after the effective date of this CONTRACT and prior to normal completion of the Project, DOH (at its sole discretion) may terminate the CONTRACT without any notice requirement and/or may amend the CONTRACT to reflect the new funding limitations and conditions. Also, for the avoidance of doubt, should funding from any funding source (including, without limitation, federal funding) that supports this CONTRACT be terminated, this CONTRACT and all obligations, including payment for work done under this CONTRACT, will be terminated without the 10-calendar day notice requirement and instead as of the date of the termination of the funding source.

4.61. TERMINATION PROCEDURES

When BORROWER receives Notice of Termination or on the date a suspension is converted to a termination, except as otherwise directed by DOH, BORROWER will:

- A.** Stop work under the CONTRACT on the date, and to the extent specified, in the notice;
- B.** Place no further orders or subcontracts for materials, services, or facilities related to the CONTRACT except as may be necessary for completion of such portion of the work under the CONTRACT that is not terminated;
- C.** Assign to DOH, in the manner, at the times, and to the extent directed by the Authorized Representative, any or all of the rights, title, and interest of BORROWER under the orders and subcontracts so terminated, in which case DOH has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts. Any attempt by BORROWER to settle such claims must have the prior written approval of DOH;
- D.** Settle all outstanding liabilities and all Claims arising out of such termination of orders and subcontracts, with the approval or ratification of the DOH Authorized Representative to the extent the DOH Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;
- E.** Complete performance of such part of the work associated with the Project as shall not have been terminated by the DOH Authorized Representative;
- F.** Take such action as may be necessary, or as the DOH Authorized Representative may direct, for the protection and preservation of the property related to this CONTRACT, which is in the possession of the BORROWER and in which DOH has or may acquire an interest; and
- G.** Preserve and transfer title to DOH and delivery in the manner, at the times, and to the extent directed by the DOH Authorized Representative of any property that if the CONTRACT had been completed would have been required to be furnished to DOH (including, without limitation, materials, CONTRACT deliverables, and/or DOH property in BORROWER's possession) as directed by DOH.

Upon termination of this CONTRACT, DOH will pay BORROWER for amounts due under the CONTRACT prior to the date of termination unless such payment is precluded under any other provision of this CONTRACT. DOH may withhold any amount due as DOH reasonably determines is necessary to protect DOH against potential loss or liability resulting from the termination. DOH will pay any withheld amount to BORROWER if DOH later determines that loss or liability will not occur. Notwithstanding this, the parties understand and agree that failure of BORROWER to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this

CONTRACT. DOH may withhold from any amounts due the BORROWER for such sum as the DOH Authorized Representative determines to be necessary to protect DOH against potential loss or liability.

Upon termination of this CONTRACT, DOH, in addition to any other rights provided in this CONTRACT, may require the BORROWER to deliver to DOH any property specifically produced or acquired for the performance of such part of this CONTRACT as has been terminated. The rights and remedies of DOH provided in this Section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this CONTRACT.

4.62. WORK HOURS AND SAFETY STANDARDS

If this CONTRACT exceeds \$100,000, BORROWER must comply with the applicable Contract Work Hours and Safety Standards Act (40 USC Chapter 37). These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

4.63. ACCESS TO DATA

In compliance with RCW 39.26.180, the BORROWER will provide access to data generated under this CONTRACT to DOH, the Joint Legislative Audit and Review Committee, and the Office of the State Auditor at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of the BORROWER's reports, including computer models and the methodology for those models.

4.64. ADVANCE PAYMENTS PROHIBITED

No payments in advance of or in anticipation of goods or services to be provided under this CONTRACT shall be made by DOH.

4.65. ALLOWABLE COSTS

Costs allowable under this CONTRACT are actual expenditures according to an approved budget up to the maximum amount stated on the CONTRACT Award or Amendment Face Sheet.

4.66. AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, ALSO REFERRED TO AS THE "ADA" 28 CFR PART 35 ALLOWABLE COSTS

The BORROWER will comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

4.67. BREACHES OF OTHER STATE CONTRACTS

BORROWER will comply with all other contracts and grant agreements executed between BORROWER and the State of Washington. A breach of any other contract or grant agreement entered into between BORROWER and the State of Washington may, in DOH's sole discretion, be deemed a breach of this CONTRACT.

4.68. CODE REQUIREMENTS

All construction and rehabilitation projects must satisfy the requirements of applicable local, state, and federal building, mechanical, plumbing, fire, energy and barrier-free codes. Compliance with the Americans with Disabilities Act of 1990 28 C.F.R. Part 35 will be required, as specified by the local building department and/or DOH.

4.69. CONFLICT OF INTEREST

Notwithstanding any determination by the Executive Ethics Board or other tribunal, DOH may, in its sole discretion, by written notice to the BORROWER terminate this CONTRACT if it is found after due notice and examination by DOH that there is a violation of the Ethics in Public Service Act, RCW 42.52 and RCW 42.23, or any similar statute involving the BORROWER in the procurement of, or performance under, this CONTRACT.

A. Specific restrictions apply to contracting with current or former state employees pursuant to RCW 42.52. The BORROWER and all subcontractors (if any) will identify any person employed in any capacity by the State of Washington that worked on this CONTRACT, or any matter related to the Project funded under this CONTRACT or any other state funded project, including, but not limited to, formulating or drafting legislation, participating in grant procurement, planning and execution, awarding grants, or monitoring grants, during the 24 month period preceding the start date of this CONTRACT. Any person identified by the BORROWER and their subcontractors (if any) must be identified individually by name, the agency previously or currently employed by, job title or position held, and separation date. If it is determined by DOH that a conflict of interest exists, the BORROWER may be disqualified from further consideration for the award of a grant.

In the event this CONTRACT is terminated as provided above, DOH will be entitled to pursue the same remedies against the BORROWER as it could pursue in the event of a breach of the CONTRACT by the BORROWER. The rights and remedies of DOH provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which DOH makes any determination under this clause will be an issue and may be reviewed as provided in Section 4.21 (Disputes) of this CONTRACT.

4.70. DUPLICATE PAYMENT

DOH will not pay the BORROWER, if the BORROWER has charged or will charge the State of Washington or any other party under any other grant, subcontract, contract, or agreement, for the same services or expenses. The BORROWER certifies that work to be performed under this CONTRACT does not duplicate any work to be charged against any other grant, subcontract, contract, or agreement.

ATTACHMENT I: SCOPE OF WORK (PROJECT)

DWSRF PROGRAM CONSTRUCTION LOAN CONTRACT INFORMATION

APPLICATION #2024-4354, CITY OF WHITE SALMON, TRANSMISSION MAIN PHASE 2B

DWSRF Scope of Work Form:

Scope of Work:

Project to include:

1. Submit project letter and construction documents to ODWOperations@doh.wa.gov for review and approval. Submit approval letter.
2. Submit bid documents to ODWOperations@doh.wa.gov for review and approval. Submit approval letter.
3. Submit SEPA documentation to Scott.Kugel@doh.wa.gov.
4. Complete cultural and historical review process. Submit finalization letter.
5. Install approximately 4,100 feet of 20-inch main, 1,280 feet of 12-inch main, 230 feet of water main from 4 inches to 8 inches, and 1600 feet of 1-inch and 2-inch water lines, valves, and appurtenances; fire hydrants; and connect to existing water system.
6. Submit completed Construction Completion Report (CCR) to ODWOperations@doh.wa.gov. Submit CCR acknowledgement email.

In addition to costs of construction, costs may include (but are not limited to): engineering, design, construction administration and observation, permits, public involvement, preparation of bid documents, fees, taxes, legal, administrative and audit.

Project Costs by Cost Category:

COST CATEGORY	CURRENT ESTIMATES
Engineering Report (Preliminary Engineering)	\$0
Environmental Review	\$15,000
Historical Review/Cultural Review	\$15,000
Land/ROW Acquisition	\$15,000
Permits	\$30,000
Public Involvement/Information	\$5,000
Bid Documents (Design Engineering)	\$50,000
Construction: Estimated Cost. Provide details on following pages.	\$4,120,000
Contingency: (10% min, 20% max)	\$816,000
DOH Review/Approval Fees:	\$5,000
Sales or Use Taxes	\$309,000
Construction Engineering/Inspection	\$580,000
Insurance:	\$0
Audit:	\$10,000
Legal:	\$15,000
Service Meters (Purchase and Installation)	\$0
Other: Bidding Services	\$15,000
TOTAL ESTIMATED PROJECT COSTS (before Loan Fee)	\$6,000,000
DWSRF Loan Origination Fee (1%)	\$0
DWSRF Loan Award	\$6,000,000

Project Funding:

TYPE OF FUNDING	SOURCE	CURRENT STATUS
Grants and Other Non-Matching Funds		
Grant #1		\$
Grant #2		\$
Other Grants		\$
New Grants		\$
Total Grants and Other Non-Matching Funds		\$
Loans		
<i>This Loan Request</i>	DWSRF loan (DWL31566-0)	\$6,000,000
Other Loan #1		\$
Other Loan #2		\$
Other Loans		\$
New Loans		\$
Total Loans		\$6,000,000
Local Revenue		
Source #1		\$
Source #2		\$
Other Local Revenue		\$
New Local Revenue		\$
Total Local Revenue		\$
Other Funds		
Other Funds		\$
Other Funds		\$
Total Other Funds		\$
TOTAL PROJECT FUNDING		a) <u>\$6,000,000</u>

ATTACHMENT II: ATTORNEY'S CERTIFICATION

DRINKING WATER STATE REVOLVING FUND (MUNICIPAL)

I, _____, hereby certify:

I am an attorney at law admitted to practice in the State of Washington and the duly appointed attorney of BORROWER identified in the Declarations of the CONTRACT identified above; and

I have also examined any and all documents and records, which are pertinent to the CONTRACT, including, without limitation, the application requesting this LOAN.

Based on the foregoing, it is my opinion that:

1. BORROWER is a public body, properly constituted and operating under the laws of the State of Washington, in good standing with the Washington Secretary of State, empowered to receive and expend federal, state, and local funds, to contract with the State of Washington, and to receive and expend the LOAN AMOUNT to accomplish the objectives set forth in the CONTRACT and to complete the PROJECT.
2. BORROWER is empowered to accept the Drinking Water State Revolving Fund financial assistance and to provide for repayment of the LOAN as set forth in the CONTRACT.
3. There is currently no litigation in existence or foreseeable seeking to enjoin the commencement or completion of the PROJECT or to enjoin BORROWER from repaying the Drinking Water State Revolving Fund LOAN extended by DOH with respect to such PROJECT. BORROWER is not a party to litigation, which will materially affect its ability to repay such LOAN on the terms contained in the CONTRACT.
4. Assumption of this obligation would not exceed statutory and administrative rule debt limitations applicable to BORROWER.

Any terms not defined in this Attachment are set forth in the General Terms and Conditions or the Declarations Section of the Drinking Water State Revolving Fund (Municipal) loan agreement between DOH and BORROWER.

Signature of Attorney

Date

Name and BAR Number (WSBA No.)

Address Line 1

Address Line 2

ATTACHMENT III: FEDERAL AND STATE REQUIREMENTS (NOT ALL INCLUSIVE)

1) Federal Environmental and Cultural Authorities

- a) Archeological and Historic Preservation Act of 1974, Public Law 86-523, as amended
- b) Archaeological Resources Protection Act (ARPA), 16 U.S.C. §470 and Public Law 96-95, as amended
- c) Clean Air Act, Public Law 84-159 as amended
- d) Coastal Zone Management Act, Public Law 92-583 as amended
- e) Endangered Species Act, Public Law 93-205 as amended
- f) Environmental Justice, Executive Order 12898
- g) Floodplain Management, Executive Order 11988 as amended by Executive Order 12148
- h) Protection of Wetlands, Executive Order 11990
- i) Farmland Protection Policy Act, Public Law 97-98
- j) Fish and Wildlife Coordination Act, Public Law 85-624 as amended
- k) National Historic Preservation Act, paying particular attention to Section 106 requirements
- l) Safe Drinking Water Act, Public Law 93-523 as amended
- m) Wild and Scenic Rivers Act, Public Law 90-542 as amended
- n) Native American Graves Protection and Repatriation Act (**NAGPRA**) (25 USC 32) and associated regulations (43 CFR 10)
- o) Code of Federal Regulations 40 Part 141, Federal National Primary Drinking Water Regulations (Section Adopted by Reference)
- p) 43 C.F.R. §3, Preservation of American Antiquities
- q) 43 C.F.R. §7, Protection of Archaeological Resources

2) Buy America Build America Requirements

DWSRF construction projects chosen for FFATA/Equivalency reporting must comply with the Buy America Build America provisions. Projects started prior to May 14, 2022, may be exempt. Visit the EPA website for more information on the BABA requirements and the waiver process at <https://www.epa.gov/cwsrf/build-america-buy-america-baba>.

3) Federal Economic and Miscellaneous Authorities

- a) Demonstration Cities and Metropolitan Development Act of 1996, Public Law 89-754 as amended, Executive Order 12372
- b) Procurement Prohibitions under Section 306 of the Clean air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans
- c) Uniform Relocation and Real Property Policies Act, Public Law 91-646 as amended
- d) Debarment and Suspension Regulations, Executive Order 12549 and associated regulations (e.g., 71 F.R. 66431)
- e) H.R. 3547, Consolidated Appropriations Act, 2014, Public Law 113-76 as amended

4) Federal Social Policy Authorities

- a) Age Discrimination Act of 1975, Public Law 94-135
- b) Title VI of the Civil Rights Act of 1964, Public Law 88-352
- c) Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500 (the Clean Water Act)
- d) Section 504 of the Rehabilitation Act of 1973, Public Law 93-112 (including Executive Orders 11914 and 11250)
- e) Equal Employment Opportunity, Executive Order 11246
- f) Disadvantaged Business Enterprise, Public Law 101-549 (the Clean Air Act), and Public Law 102-389 (the Clean Water Act)
- g) Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Public Law 100-590
- h) 42 USC 12101 et seq. the Americans with Disabilities Act of 1990 and associated regulations (including, without limitation, 28 C.F.R. Part 35) (**ADA**)
- i) The Contract Work Hours and Safety Standards Act (40 USC 327-333), as applicable
- j) The Genetic Information Nondiscrimination Act of 2008 (**GINA**), 42 USC s. 2000ff et seq.
- k) Federal Hatch Act, 5 USC 1501-1508

5) State Laws

- a) RCW 27.44, Indian Graves and Records
- b) RCW 27.53, Archaeological Sites and Resources
- c) RCW 36.70A, Growth Management Act
- d) RCW 39.04, Public Works
- e) RCW 39.10, Alternative Public Works Contracting Procedures
- f) RCW 39.12, Prevailing Wages on Public Works
- g) RCW 39.80, Contracts for Architectural and Engineering Services
- h) RCW 39.26.180, Contract Management
- i) RCW 42.56, Public Records Act
- j) RCW 42.17a, Campaign Disclosure and Contributions provision
- k) RCW 42.23, Code of Ethics for Municipal Officers-Contract Interests
- l) RCW 42.52, Ethics in Public Service
- m) Chapter 43.20 RCW, State Board of Health
- n) RCW 43.21C, State Environmental Policy Act
- o) RCW 43.70, Department of Health
- p) RCW 43.155, Public Works Project
- q) RCW 49.60, Washington's Law against Discrimination, including, without limitation, RCW 49.60.530(3), Contractors and subcontractors with state for public works or for goods or services—Nondiscrimination requirements
- r) RCW 51, Industrial Insurance
- s) RCW 68.60, Abandoned and Historic Cemeteries and Historic Graves
- t) RCW 70.116, Public Water Systems Coordination Act of 1977
- u) RCW 70.119, Public Water Supply Systems Certification and Regulation of Operations
- v) RCW 70.119A, Public Water Systems, Penalties & Compliances
- w) WAC 25-48, Archaeological Excavation and Removal Permit
- x) WAC 246-290, Group A Public Water Systems
- y) WAC 246-291, Group B Public Water Systems
- z) WAC 246-292, Waterworks Operator Certification Regulations
- aa) WAC 246-293, Water Systems Coordination Act
- bb) WAC 246-294, Drinking Water Operating Permits
- cc) WAC 246-295, Satellite System Management Agencies
- dd) WAC 246-296, Drinking Water State Revolving Fund Loan Program
- ee) WAC 173-160, Minimum Standards for Construction & Maintenance of Wells
- ff) WAC 173, Department of Ecology Rules
- gg) Governor's Executive Order 21-02

ATTACHMENT IV: DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENTS

GENERAL COMPLIANCE, 40 CFR, Part 33

BORROWER must comply with the requirements of Environmental Protection Agency's Program for Utilization of Small, Minority and Women's Business Enterprises (MBE/WBE) in procurement under this Contract, contained in 40 CFR, Part 33. BORROWER will use the directory of certified firms available through the Washington State Office of Minority and Women's Business Enterprises to meet the requirements.

FAIR SHARE OBJECTIVES, 40 CFR, Part 33, Subpart D

The following are exemptions from the fair share objective Requirements:

- Grant and loan recipients receiving a total of \$250K or less in EPA financial assistance in a given fiscal year.
- Tribal recipients of Performance Partnership Eligible grants under 40 CFR Part 35, Subpart B.
 - There is a 3-year phase in period for the requirement to negotiate fair share goals for Tribal and Insular Area recipients.
- Recipients of Technical Assistance Grants.

The Fair Share Objectives or goals for the utilization of disadvantaged businesses negotiated with EPA by the WA Office of Minority Women Business are stated below.

Construction	10% MBE	6% WBE
Supplies	8% MBE	4% WBE
Equipment	8% MBE	4% WBE
Purchased Services	10% MBE	4% WBE

BORROWER must accept the fair share objectives/goals stated above and purchase the same or similar construction, supplies, services and equipment, in the same or similar relevant geographic buying market as WA Office of Minority Women Business goals.

SIX GOOD FAITH EFFORTS, 40 CFR, Part 33, Subpart C

Pursuant to 40 CFR, Section 33.301, BORROWER will make the following good faith efforts whenever procuring construction, equipment, services and supplies under an EPA financial assistance agreement, and to ensure that sub-recipients, loan recipients, and prime contractors also comply.

Records documenting compliance with the six good faith efforts shall be retained. The six good faith efforts shall include:

- A. Ensure Disadvantaged Business Enterprises are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local Government recipients, this will include placing the Disadvantaged Business Enterprises on solicitation lists and soliciting them whenever they are potential sources.
- B. Make information on forthcoming opportunities available to Disadvantaged Business Enterprises and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by Disadvantaged Business Enterprises in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of thirty (30) calendar days before the bid or proposal closing date.
- C. Consider in the contracting process whether firms competing for large contracts could subcontract with Disadvantaged Business Enterprises. For Indian Tribal, State and Local Government recipients, this will include dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by Disadvantaged Business Enterprises in the competitive process.
- D. Encourage contracting with a consortium of Disadvantaged Business Enterprises when a contract is too large for one of these firms to handle individually.
- E. Use the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Health.
- F. If the prime contractor awards subcontracts, also require the prime contractor to take the five good faith efforts in paragraphs A through E above.

A. MBE/WBE REPORTING, 40 CFR, Part 33, Sections 33.502 and 33.503

BORROWER is required to submit MBE/WBE participation reports to DOH, on a quarterly basis, beginning with the Federal fiscal year reporting period BORROWER receives the award and continuing until the project is completed.

CONTRACT ADMINISTRATION PROVISIONS, 40 CFR, Section 33.302

BORROWER agrees to comply with the contract administration provisions of 40 CFR, Section 33.302.

Only procurements with certified MBE/WBEs are counted toward a Contractor's MBE/WBE accomplishments.

BIDDERS LIST, 40 CFR, Section 33.501(b) and (c)

BORROWER is also required to create and maintain a bidders list if BORROWER of the loan is subject to, or chooses to follow, competitive bidding requirements. Please see 40 CFR, Section 33.501 (b) and (c) for specific requirements and exemptions.

Section 33.501(b) of the rule is as follows:

A recipient of a Continuing Environmental Program Grant or other annual grant must create and maintain a bidders list. In addition, a recipient of an EPA financial assistance agreement to capitalize a revolving loan fund also must require entities receiving identified loans to create and maintain a bidders list if the recipient of the loan is subject to, or chooses to follow, competitive bidding requirements. The purpose of a bidders list is to provide the recipient and entities receiving identified loans who conduct competitive bidding with as accurate a database as possible about the universe of MBE/WBE and non-MBE/WBE prime and subcontractors. The list must include all firms that bid or quote on prime contracts or bid or quote on subcontracts under EPA assisted projects, including both MBE/WBEs.

The bidders list must be kept until the grant project period has expired and the recipient is no longer receiving EPA funding under the grant. For entities receiving identified loans, the bidders list must be kept until the project period for the identified loan has ended. The following information must be obtained from all prime and subcontractors:

- (1) Entity's name with point of contact;
- (2) Entity's mailing address, telephone number, and e-mail address;
- (3) The procurement on which the entity bid or quoted, and when; and
- (4) Entity's status as a MBE/WBE¹ or non-MBE/WBE.

The exemption found at § 33.501(c) is as follows:

A recipient of an EPA financial assistance agreement in the amount of \$250,000 or less for any single assistance agreement, or of more than one financial assistance agreement with a combined total of \$250,000 or less in any one fiscal year, is exempt from the paragraph (b) of this Section requirement to create and maintain a bidders list. Also, a recipient under the CWSRF, DWSRF, or BCRLF Program is not required to apply the paragraph (b) of this Section bidders list requirement of this subpart to an entity receiving an identified loan in an amount of \$250,000 or less, or to an entity receiving more than one identified loan with a combined total of \$250,000 or less in any one fiscal year. This exemption is limited to the paragraph (b) of this Section bidders list requirements of this subpart.

¹ Qualified Women and Minority business enterprises may be found on the Internet at www.omwbe.wa.gov or by contacting the Washington State Office of Minority and Women's Enterprises at 360-704-1181.

ATTACHMENT V: CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS



United States Environmental Protection Agency
Washington, DC 20460

The terms, "covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded", as used in this attachment, are defined in the rules implementing Executive Order 12549, including 13 CFR § 400.109. You may contact DOH for help getting a copy of these regulations.

BORROWER, defined as the primary participant and its principals, certifies by signing below that to the best of its knowledge and belief they:

- A.** Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- B.** Have not within a three-year (3) period preceding this CONTRACT, been convicted of or had a civil judgment against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;
- C.** Are not presently indicted for or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses described in this attachment; and,
- D.** Have not within a three-year period (3) preceding the signing of this CONTRACT had one or more public transactions (federal, state, or local) terminated for cause or default.

Prior to awarding contracts for the PROJECT, BORROWER must verify that neither the contractor's business name(s) nor the names of its principals are in the Federal Excluded Parties List System for Ineligible Professionals and Debarred Contractors (www.SAM.gov). BORROWER must keep documentation in the PROJECT files and provide a copy to the DOH Contract Manager.

BORROWER will include the language below without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

The lower tier contractor certifies, by signing this CONTRACT that neither it nor its principals are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

I understand that a false statement on this certification may be ground for rejection of this proposal or termination of the award. In addition, under 18 USC Sec. 1001, a false statement may result in a fine or imprisonment for up to 5 years, or both.

Typed or Printed Name & Title of Authorized Representative

Signature of Authorized Representative

Date

☐

I am unable to certify to the above statements. My explanation is attached.

ATTACHMENT VI: DWSRF ELIGIBLE PROJECT COSTS

Must be directly attributable to the project.

1. The costs for complying with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
2. DWSRF loan fees.
3. The purchase of a portion of another system's capacity, if it is the most cost effective solution (limited to publicly owned (municipal) systems).
4. Construction of reservoirs (clear wells) that are part of the treatment process and are collocated with the treatment facility.
5. Construction of distribution reservoirs (finished water).
6. Cost associated with restructuring or consolidation of existing water systems by publicly owned water systems.
7. Main extensions to connect to safe and reliable sources of drinking water.
8. Cost associated with collecting and preparing environmental assessment documents to obtain local permits.
9. Direct labor including related employee benefits:
 - a. Salaries and wages (at actual or average rates) covering productive labor hours of employees of the borrower (excluding the administrative organization of the operating unit involved) for periods of time actively or incidentally engaged in pre-design engineering, design engineering, construction engineering, acquisition of rights of way, and the cleaning, sterilization or bacteriological testing of water system components prior to public use. The costs of services rendered by employees generally classified as administration/project management of the loan are considered a direct cost only when such employees are assigned the types of services described above and shall be limited to 3% or less of the project loan amount.
 - b. Employee benefits relating to labor are considered a direct cost of construction projects. The following items may be included as employee benefits:
 - F.I.C.A. (Social Security) –employer's share.
 - Retirement benefits.
 - Hospital, health, dental, and other welfare insurance.
 - Life insurance.
 - Industrial and medical insurance.
 - Vacation.
 - Holiday.
 - Sick leave.
 - Military leave and jury duty.

Employee benefits must be calculated as a percentage of direct labor dollars. The
- c. Other than work identified in Number 9.a, no costs associated with labor performed by the borrower's employees, including force account work, are eligible for financing assistance.
10. Contract engineering, planning, design, legal, and financial planning services. The Department of Health reserves the right to declare ineligible legal costs that are unreasonable and disproportionate to the project.
11. Contract construction work.
12. Direct vehicle and equipment charges at the actual rental cost paid for the equipment or, in the case of city or county-owned equipment, at the rental rates established by the local government's "equipment rental and revolving fund" following the methods prescribed by the division of municipal corporations. However, such costs must be charged on a uniform basis to equipment used for all projects regardless of the source of funding. Cities with a population of eight thousand or less not using this type of fund are allowed the same rates as used by the State Department of Transportation.
13. Direct materials and supplies.
14. Other direct costs incurred for materials or services acquired for a specific project are eligible costs and may include, but are not limited to such items as:
 - a. Telephone charges.
 - b. Reproduction and photogrammetry costs.
 - c. Video and photography for project documentation.
 - d. Computer usage.
 - e. Printing and advertising.
15. Other project related costs include:
 - Competitive Bidding.
 - Audit.
 - Insurance.
 - Prevailing wages.
 - Attorney fees.
 - Environmental Review.
 - Archaeological Survey.

Water system plan costs are not eligible for reimbursement. Small water system management program and plan amendments costs are eligible for reimbursement.

Projects may be designed to accommodate reasonable growth. This is generally the 20-year projection included in the system's water system plan or small water system management program.

ATTACHMENT VII: LABOR STANDARD PROVISIONS FOR SUBRECIPIENTS THAT ARE GOVERNMENTAL ENTITIES

Wage Rate Requirements Under the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6)

Preamble

With respect to the Clean Water and Safe Drinking Water State Revolving Funds, EPA provides capitalization grants to each state which in turn provides subgrants or loans to eligible entities within the state. Typically, the subrecipients are municipal or other local governmental entities that manage the funds. For these types of recipients, the provisions set forth under Roman Numeral I, below, shall apply. Although EPA and the State remain responsible for ensuring subrecipients' compliance with the wage rate requirements set forth herein, those subrecipients shall have the primary responsibility to maintain payroll records as described in Section 3(ii)(A), below and for compliance as described in Section I-5.

Occasionally, the subrecipient may be a private for profit or not for profit entity. For these types of recipients, the provisions set forth in Roman Numeral II, below, shall apply. Although EPA and the State remain responsible for ensuring subrecipients' compliance with the wage rate requirements set forth herein, those subrecipients shall have the primary responsibility to maintain payroll records as described in Section II-3(ii)(A), below and for compliance as described in Section II-5.

I. Requirements Under The Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6)

For Subrecipients That Are Governmental Entities:

The following terms and conditions specify how recipients will assist EPA in meeting its Davis-Bacon (DB) responsibilities when DB applies to EPA awards of financial assistance under the FY 2013 Continuing Resolution with respect to State recipients and subrecipients that are governmental entities. If a subrecipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact Department of Health. If a State recipient needs guidance, they may obtain additional guidance from DOL's web site at <http://www.dol.gov/whd/>.

1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.

Under the FY 2013 Continuing Resolution, DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a subrecipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the subrecipient must discuss the situation with the recipient State before authorizing work on that site.

2. Obtaining Wage Determinations.

(a) Subrecipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

- (i) While the solicitation remains open, the subrecipient shall monitor www.wdol.gov weekly to ensure that the wage determination contained in the solicitation remains current. The subrecipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the subrecipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the subrecipient.
- (ii) If the subrecipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the subrecipient, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c) (3) (iv). The subrecipient shall monitor www.wdol.gov on a weekly

A.

basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(b) If the subrecipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the subrecipient shall insert the appropriate DOL wage determination from www.wdol.gov into the ordering instrument.

(c) Subrecipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a subrecipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the subrecipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the subrecipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The subrecipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

3. Contract and Subcontract provisions.

(a) The Recipient shall insure that the subrecipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project under the DWSRF financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the FY 2013 Continuing Resolution, the following clauses:

(1) Minimum wages.

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

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

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

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

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

A. The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

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

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

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

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

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

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

(3) Payrolls and basic records.

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

A. Apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

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

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

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

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

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

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

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

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

(4) Apprentices and trainees--

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually

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

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

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

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

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

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

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

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

(10) Certification of eligibility.

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

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

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

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

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

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

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

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

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

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Subrecipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Subrecipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the

A. Contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the (write the name of agency) and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

5. Compliance Verification

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

(b) The subrecipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Subrecipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB.

Subrecipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence."

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

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

(e) Subrecipients must immediately report potential violations of the DB prevailing wage requirements to the Department of Health and to the appropriate DOL Wage and Hour District Office listed at

https://www.dol.gov/whd/WHD_district_offices.pdf.

File Attachments for Item:

B. Approval of Meeting Minutes - January 21, 2026



Draft

White Salmon City Council MEETING MINUTES

**January 21, 2026 – 6:00 PM
119 NE Church Ave and Zoom Teleconference**

Attendance:

Council Members:

Ben Giant (Zoom)
Patty Fink
Doug Rainbolt (Zoom)
David Lindley
Morella Mora

Staff:

Marla Keethler, Mayor (Zoom)
Shawn MacPherson, City Attorney (Zoom)
Erika Castro Guzman, City Clerk
Jennifer Neil, Director of Finance and Operations
Chris True, Director of Public Works
Rowan Fairfield, City Planner

I. Call to Order (6:00 p.m.)

Mayor Marla Keethler called the meeting to order at 6:00 p.m. A total of ten members of the public were in attendance, both in person and via teleconference.

A. Land Acknowledgement (6:00 p.m.)

The Land Acknowledgement was delivered.

B. Presentation of the Flag (6:01 p.m.)

The Presentation of the Flag was conducted.

II. Roll Call (6:02 p.m.)

The meeting was called to order with all Council members present, constituting a quorum.

III. Additions or Corrections to the Agenda (None)

IV. Public Comment (6:03 p.m.)

Emily Harris, Community Journalism Director for Uplift Local

Emily Harris, Community Journalism Director for Uplift Local, spoke in support of the draft ordinance discussion regarding committee meetings. She described Uplift Local's Documenters program, which trains and pays residents to attend public meetings, produce fact-checked notes, and share information through local media partners. Harris emphasized the importance of accessible public meeting information and encouraged adoption of the ordinance, noting that a centralized meeting calendar helps reduce barriers to public participation. She thanked the City of White Salmon for welcoming Documenters at various meetings and expressed appreciation for the City's commitment to public engagement.

V. Presentation (6:07 p.m.)

A. Big River Community Land Trust Housing Project Update (6:07 p.m.)

Mayor Marla Keethler welcomed representatives from Big River Community Land Trust and invited founder and board member Anne Medenbach, joined by Executive Director Alicia Sherburn, to provide an update.

Board Member Medenbach gave an overview of the community land trust model, explaining that the nonprofit acquires and stewards land long-term while homeowners purchase and own the homes through standard mortgages, with eligibility capped at 120% of Area Median Income. Homes remain permanently affordable through a renewable 99-year land lease.

She reviewed the organization's history since forming in 2018, including nonprofit status in 2019 and the hiring of its first Executive Director in 2023. She highlighted completion of the organization's first home in Hood River, OR, which is currently under contract to an eligible family.

Founder and board member Medenbach presented plans for the Avalon Drive project in Hood River, a proposed 42-unit affordable homeownership development currently in the planning and funding phase, with construction anticipated to begin in 2027.

She discussed challenges including limited funding, high land costs, organizational capacity, and the need for continued education and awareness of the community land trust model. Opportunities identified included increasing state and local housing funding, partnerships with local jurisdictions, land contributions, shared data on housing needs, and collaborative regional efforts to expand affordable homeownership.

Discussion

Council Member Patty Fink asked whether Big River Community Land Trust could undertake smaller projects and integrate commercial uses into developments. Founder and board member Anne Medenbach responded that the organization can accommodate projects of any size, including small developments, and that mixed-use and commercial components are permitted under the land trust model. She noted that Big River's focus complements, rather than duplicates, the Mid-Columbia Housing Authority, with Big River primarily serving middle-income households.

Council Member Doug Rainbolt praised the quality of the completed Tucker Road home and asked questions regarding land lease rates and homeowner equity. Medenbach explained that the land lease functions similarly to an a Homeowners Association (HOA) fee, typically around \$100 per month with an additional reserve contribution. She clarified that resale prices are restricted to income-eligible buyers, with appreciation capped to ensure long-term affordability.

Council Member David Lindley inquired about the process and legal considerations related to gifted public land. Medenbach noted that the Hood River, OR, property provided a clear public benefit and was an underutilized parcel, and that specific parameters were addressed by the City of Hood River.

Council Member Morella Mora asked about the organization's engagement with low-income housing needs and partnerships. Medenbach responded that Big River collaborates with a wide range of housing providers and views itself as one tool among many. She emphasized flexibility in project design, coordination with housing authorities, and the potential for mixed-income and mixed-use developments, while acknowledging the urgency of low-income housing needs.

Mayor Marla Keethler requested clarification on Area Median Income figures referenced in the presentation. Medenbach stated the figures were based on current estimates and agreed to provide a reference source.

Mayor Keethler thanked Big River Community Land Trust for the update and expressed interest in future partnership opportunities.

B. City Highlights with the Mayor (6:28 p.m.)

Mayor Marla Keethler reported that she and Councilmember Doug Rainbolt attended City Action Days in Olympia, WA, and joined the meeting remotely. While there, they are meeting with Senator Paul Harris and Senator Curtis King to discuss the City's legislative priorities. With Senator Harris, the focus will be on securing funding to restart the State Route 141 washout project. Senator King will be updated on City projects, including progress on the Bluff Trail, which received \$1 million in funding with his support, and continued collaboration despite changes to his district. Mayor Keethler also acknowledged his role in securing funding for the Bingen underpass and his ongoing engagement with neighboring districts.

Mayor Keethler announced a community open house for the Phase IIA water infrastructure project on February 24 from 4:00 to 7:00 p.m. This major project will result in traffic delays along State Route 14 and north towards Trout Lake, WA. Construction is expected to begin in the spring and conclude by July. The City will continue outreach to ensure the community is informed.

Mayor Keethler reported that the Department of Licensing confirmed the effective date of the vehicle licensing fee approved in 2023 as part of the Transportation Benefit District. The fee, previously delayed due to an administrative error, is now recognized as effective September 1, 2023, ensuring the City receives the full intended duration of revenue.

Mayor Keethler addressed recent recycling service disruptions, noting that White Salmon recycling is transitioning to Monday collection on an A–D week cycle. She acknowledged resident frustration related to schedule changes and staffing challenges and expressed optimism that service will stabilize in February 2026.

Lastly, Mayor Keethler updated the Council on an ongoing issue within the Fort Vancouver Regional Library System. As a member of the advisory committee for the system's strategic plan, she noted continued debate over language related to equity and equitable access. She expressed concern that the issue has received limited attention locally and noted concerns raised by the Friends of the White Salmon Library. To increase awareness and encourage public engagement, Mayor Keethler shared a video featuring remarks from Trustee Mary Williams.

Summarized Statement from Trustee Mary Williams:

Trustee Mary Williams delivered prepared remarks expressing concern over actions by certain members of the Fort Vancouver Regional Library Board of Trustees related to the strategic planning process. She stated that efforts to remove or weaken language concerning equity and intellectual freedom

undermine the mission, values, and public responsibility of the library system. Trustee Williams emphasized that the strategic plan was developed through extensive community engagement, professional consultation, and staff participation, and she characterized resistance to the plan as an attempt to substitute personal discomfort for data-driven governance. She underscored equity and intellectual freedom as foundational principles of public libraries and urged community awareness and engagement to uphold these values. The full statement can be found: <https://www.youtube.com/watch?v=XKZVSJUr6yI>

Council Member Morella Mora thanked Mayor Keethler for the presentation and asked whether public comment was still being accepted. Mayor Keethler confirmed that public comment remains open, noting that the trustees' next meeting is Monday, January 26, 2026, with additional information available on FVRL.org.

VI. Consent Agenda (6:55 p.m.)

- A. Approval of Meeting Minutes - December 17, 2025
- B. Change Order No. 1 - Transmission Main Replacement Phase IIA
- C. Change Order No. 3 - Buck Creek Roof Replacement Project
- D. Change Order No. 4 - N Main/ Spring Street Improvements
- E. Change Order No. 5 - N Main/ Spring Street Improvements
- F. Interlocal Agreement - Incarceration Services of City Prisoners with Klickitat County
- G. Pay App No. 1 - Tapani Inc - Transmission Main Replacement Phase IIA
- H. Pay App No. 3 - Slateco, LLC - Buck Creek Roof Replacement Project
- I. Pay App No. 4 - Slateco, LLC - Buck Creek Roof Replacement Project
- J. Pay App No. 6 - Ajax NW - N Main/ Spring Street Improvements
- K. Pay App No. 7 - Ajax NW - N Main/ Spring Street Improvements
- L. Resolution No. 2026-01-640 – Removing and Authorizing Signers on City Financial Accounts
- M. Approval of Vouchers
Vouchers audited and certified as required by RCW 42.24.080 and expense reimbursement claims as required by RCW 42.24.090 as of this 21th day of January 2026.

Type	Date	Beginning Check	Ending Check	
Claims	12/31/2025	43137	43159	\$162,427.85
	01/21/2026	43160	43179	\$60,164.02
			Claim Total	\$212,591.87
Payroll	01/20/2026	EFT	EFT	\$96,499.78
			Payroll Total	\$96,499.78
			Toal Vouchers	\$309,091.65

Moved by David Lindley. Seconded by Morella Mora.

Motion to approve Consent Agenda and Vouchers for \$309,091.65.

Giant – Aye, Fink – Aye, Rainbolt – Aye, Lindley – Aye, Mora – Aye.

MOTION CARRIED 5-0.

VII. Business Items (6:57 p.m.)**A. Community Development Block Grant (CDBG) – Home Repair Program Closeout****1. Presentation (6:57 p.m.)**

Mayor Marla Keethler introduced the closeout of the Community Development Block Grant (CDBG) Home Repair Program and opened the public hearing at 6:57 p.m.

Liz Wilbur, Housing Resource Center Manager, and Salvador Cruz-Torres, Housing Counselor and Spanish interpreter for Columbia Cascade Housing Corporation (CCHC), presented the program summary, reporting that \$124,766 in federal CDBG funds were expended to complete six repair projects at three single-family homes. Repairs included three roof replacements, a heat pump replacement with required electrical panel upgrades, bathroom repairs at two homes, window replacements, weatherization measures, and structural and safety repairs, including foundation and deck improvements.

Manager Wilbur reported that the program assisted three households, including two Hispanic households, two female-headed households, and two households with elderly residents. One household had income below 30% of Area Median Income (AMI), one between 30–50% AMI, and one between 50–80% AMI. She noted that additional grant funds were approved to address unforeseen structural issues discovered during one of the roof replacements.

2. Public Hearing (7:04 p.m.)

Mayor Marla Keethler opened the public testimony portion of the agenda item regarding the Community Development Block Grant (CDBG) Home Repair Program Closeout at 7:04 p.m.

Hearing none, Mayor Keethler closed the public testimony portion at 7:05 p.m.

3. Discussion (7:05 p.m.)

Council Member Doug Rainbolt commended Columbia Cascade Housing Corporation for its work, noting the positive impact on residents facing hardship.

Council Member Patty Fink echoed the Council's appreciation, expressing support for continued funding to assist additional households.

Mayor Keethler thanked the Columbia Cascade Housing Corporation staff for the multi-year partnership and noted that the program benefited not only City of White Salmon residents, but also eligible residents in the broader Klickitat and Skamania County areas.

Mayor Marla Keethler closed the public hearing at 7:06 p.m.

B. Planning Commission's 2026 Workplan (7:06 p.m.)**1. Presentation (7:06 p.m.)**

Mayor Marla Keethler introduced the Planning Commission's 2026 Work Plan.

Planner Rowan Fairfield presented the draft work plan, noting it was developed following a joint Council–Planning Commission meeting to better align priorities. They explained that the draft includes seven items, does not assume all will be completed in one year, and does not assign priority. They stated that council retains discretion to revise, remove, or prioritize items.

2. Discussion (7:08 p.m.)

Council Member Patty Fink suggested adding a coordination item with the City Lab related to equity under Activity 1 and expressed concerns that Activities 2 and 3 may not fall within core planning functions. She noted interest in the pre-approved building plan item and suggested further Council discussion on downtown parking before Planning Commission review.

Council Member Doug Rainbolt supported Activity 1, emphasizing the importance of shared utilities analysis and peer comparisons. He questioned whether the work plan sufficiently focused on land use and planning priorities and requested time to return with additional suggestions.

Council Members David Lindley, Morella Mora, and Ben Giant echoed concerns regarding Activities 2 and 3, suggesting they be deprioritized or removed in favor of more core planning tasks.

Planner Fairfield clarified that Activities 2 and 3 were proposed by Planning Commissioners based on issues they had recently observed.

Mayor Keethler summarized that Council appeared to favor deferring action for additional discussion.

Council Member Rainbolt suggested allowing work to proceed on Activity 1 while holding other items for further review, with the matter to return at a future meeting.

3. Action (7:14 p.m.)

Moved by Doug Rainbolt. Seconded by Patty Fink.

Motion to defer action on the Planning Commission's 2026 Work Plan and return on February 4 with a more comprehensive list of key focus areas for Council consideration.

Further Discussion (7:14 p.m.)

Council Member Ben Giant expressed support for deferring the item to allow additional input but cautioned against unnecessarily delaying well-developed work. He emphasized the importance of maintaining momentum on actionable items, noting the need to balance refinement with progress. He stated support for the motion given the specific request for additions and suggested deprioritizing Activities 2 and 3, with the goal of returning for full approval of the work plan.

Council Member David Lindley asked whether deferring action would delay any upcoming Planning Commission meetings. Planner Rowan Fairfield responded that no

meetings would be delayed, noting that recent bylaw changes designated the second monthly meeting as a workshop and that no meeting was scheduled without a finalized work plan. Council Member Lindley indicated agreement and stated that Council should be prepared to make a decision at the first meeting in February.

Giant – Aye, Fink – Aye, Rainbolt – Aye, Lindley – Aye, Mora – Aye.

MOTION CARRIED 5-0.

VIII. Reports and Communications (7:18 p.m.)

A. Council Committees – Code Framework and Next Steps (7:18 p.m.)

Mayor Marla Keethler opened discussion on Code Framework and Next Steps, explaining the draft ordinance was for discussion only and had not yet received legal review. No action was scheduled; Council feedback was requested to guide revisions for a future agenda.

Council Member Patty Fink said she requested the item to revisit committee roles, transparency, and expectations. She expressed concern that past code changes did not fully consider downstream impacts and that committees have advanced policy recommendations with limited Council input. She asked Council to clarify the intended role of committees and related transparency standards.

Council Member Doug Rainbolt supported the general intent of the draft but noted implementation would need to consider staff capacity, communication, and prioritization.

Council Member Ben Giant asked about trade-offs of returning to OPMA-style requirements, particularly staff workload impacts.

Mayor Keethler stated prior changes were driven by staff burden and concerns about “committee creep.” She noted the City has nine committees, with another beginning soon, and emphasized committees do not make binding decisions. Department heads echoed workload concerns, noting additional requirements would divert time from core duties and could require more staffing.

Mayor Keethler explained committee work requests are secondary to adopted budget priorities and managed by department heads. Council Member Lindley said his prior vote aimed to reduce staff burden, not limit public input, and supported earlier public engagement. Council Member Mora supported increased transparency and asked about middle-ground options, offering volunteer support.

City Attorney Shawn MacPherson declined to give an ad hoc opinion, stating he would provide written legal guidance after review. Council discussed possible refinements, including clarifying public testimony language, standardizing committee practices, varying formality levels, and consolidating committees. Staff clarified distinctions between committees and boards under the code.

Council Members Giant and Mora emphasized improving public access while minimizing staff burden and expanding engagement beyond ordinance changes.

Mayor Keethler confirmed staff would revise the draft, incorporate legal review, and return with options, including OPMA or hybrid approaches, for future Council consideration.

B. Staff Reports (7:56 p.m.)

City Attorney Shawn MacPherson reported completing an onboarding discussion with Council Member Rainbolt regarding the roles and responsibilities of elected officials, noting other Council members previously received similar training.

Public Works Director Chris True reported Phase IIA of the Bald Mountain Corners area project is expected to begin soon and will cause significant traffic impacts, including an anticipated 34-day road closure. Staff are coordinating with Emergency Management and the school district to maintain emergency access and minimize bus route disruptions. A public open house is scheduled for February 24, with contractor mobilization expected in mid-February and construction beginning in March. Road closure is anticipated around May, pending WSDOT approval.

C. Council Member Reports (7:58 p.m.)

Council Member Rainbolt reported attending City Action Days in Olympia, where discussions focused on state budget challenges, trade-offs, and financial priorities. He noted the value of hearing from state leaders and stated he is focused on completing planning priority work before the next Council meeting.

Council Member Giant shared that this was his first Council meeting since welcoming a new child and thanked colleagues and the community for their support.

Council Member Lindley thanked the Mayor for the Fort Vancouver presentation, stating it was informative and meaningful.

Council Member Mora expressed appreciation for the Mayor's presentation style and reported an upcoming school board meeting related to a levy and bond. She also described attending a student-led school walkout of over 100 students, noting it was largely peaceful and that a confrontation was successfully de-escalated.

Council Member Fink reported the Tree Board is planning a tree walk and working with staff on a map. She also acknowledged the recent loss of a young community member and reminded the public of support available through the 988 Suicide and Crisis Lifeline.

IX. Executive Session (None)

X. Adjournment

The meeting was adjourned at 8:06 p.m.

Marla Keethler, Mayor

Erika Castro Guzman, City Clerk

File Attachments for Item:

C. Intergovernmental Cooperative Agreement – Hood River–White Salmon Bridge Authority



COUNCIL REPORT



Business Item

Needs Legal Review:

Meeting Date:

Agenda Item:

Presented By:



Consent Agenda

Complete

2/4/2026

Intergovernmental Cooperative Agreement – Hood River–
White Salmon Bridge Authority
Chris True, Public Works Director

Action Required:

Approve the Intergovernmental Cooperative Agreement between the City of White Salmon and the Hood River–White Salmon Bridge.

Motion for Business Item / Proposed Motion for Consent Agenda:

Move to approve the Intergovernmental Cooperative Agreement between the City of White Salmon and the Hood River–White Salmon Bridge Authority and authorize the Mayor to sign the agreement.

Background of Issue:

The Hood River–White Salmon Bridge Authority is undertaking the planning, design, financing, and construction of a new bi-state bridge and removal of the existing bridge. The project will directly impact City of White Salmon property and public right-of-way. Under state law, public agencies may enter into intergovernmental agreements to cooperatively provide services. The Bridge Authority has requested that the City provide limited public works, maintenance, emergency response, and design/permit review services in support of the project.

Explanation of Issue:

The proposed Intergovernmental Cooperative Agreement establishes a framework for the City to provide services to the Bridge Authority through individual task orders. Key elements include:

- Services are limited to City property and public right-of-way and may include vegetation management, traffic control adjustments, emergency response for minor repairs, and design/permit review.
- All work must be authorized through individual task orders approved by both parties.
- Total compensation is capped at **\$100,000 per one-year service period**.
- Compensation may be cost-reimbursable or lump sum, based on City labor rates and FEMA equipment schedules.
- The agreement has a one-year term with options for up to three additional one-year extensions.
- Each party retains responsibility for its own actions, with insurance, indemnification, and dispute-resolution provisions included.
- This agreement allows the City to support a critical regional infrastructure project while maintaining control over staffing, costs, and workload.

Council Options:

City Council has the following options available currently:

1. Accept the Staff Recommendation and approve the agreement.
2. Revise the Staff Recommendation.
3. Other action as may be desired by the City Council.
4. Refer this issue back to staff for further work.
5. Take no action on this matter.

Fiscal Analysis:

- **Maximum Contract Amount:** \$100,000 per service period
- **Funding Source:** Reimbursement from Hood River–White Salmon Bridge Authority
- **Budget Impact:** No General Fund impact anticipated. All services are reimbursed under approved task orders.

Recommendation of Staff/Committee:

Staff recommends approval of the Intergovernmental Cooperative Agreement and authorization for the Mayor to sign the agreement.

Follow Up Action:

Upon Council approval, staff will coordinate with the Bridge Authority to implement task orders as needed and provide services in accordance with the agreement.

INTERGOVERNMENTAL COOPERATIVE AGREEMENT
BETWEEN
HOOD RIVER-WHITE SALMON BRIDGE AUTHORITY
AND
CITY OF WHITE SALMON

THIS IS INTERGOVERNMENTAL COOPERATIVE AGREEMENT ("Agreement") entered into by and between the **Hood River-White Salmon Bridge Authority** ("Authority"), a municipal corporation established under ORS 381.700 et seq., and the **City of White Salmon** ("City"), a municipal corporation of the State of Washington. The Authority and the City are individually referred to as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the Authority is a bi-state public agency undertaking the planning, financing, design, and construction of a new bridge and removal of existing bridge (the "Project");

WHEREAS, the Project is a major public works initiative that requires a collaborative partnership between the Authority and the impacted jurisdictions, including the City, to ensure its successful and efficient completion of the Project;

WHEREAS, the Authority and its designated consultant shall serve as the primary point of contact for all contractors engaged in the Project;

WHEREAS, the Project is supported by federal funding, making it subject to all applicable federal laws, regulations, and administrative guidelines;

WHEREAS, the City, having jurisdiction, has the resources to provide services necessary for the Project's compliance with local standards for Public Works and maintenance;

WHEREAS, the Authority wishes to retain the City to perform services, and the City is willing to do so under the terms and conditions set forth in this Agreement; and

WHEREAS, the Parties are authorized to enter into this Agreement pursuant to the Interlocal Cooperation Act, as codified in ORS Chapter 190 and RCW Chapter 39.34, which permits public agencies to jointly or cooperatively exercise their powers.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

AGREEMENT

1. TERM

This Agreement will become effective on the date of final execution by both the Authority and City ("Effective Date"). This Agreement shall commence on the Effective Date and will remain in effect until the services authorized under task orders are completed and final payment has been made, unless terminated earlier as provided in accordance with this Agreement.

The City's services will be performed pursuant to individual Task Orders issued by the Authority and agreed on by the City. Each Task Order will contain the specific scope of work ("Services"), the schedule, compensation, and payment conditions, and additional terms and conditions that may be applicable to such Task Order. A sample Task Order is attached hereto as Exhibit A.

Execution of a Task Order by the City and Authority constitutes the Authority's written authorization to the City to proceed on the Effective Date with the Services described in the Task Order.

The terms and conditions of this Agreement shall apply to each Task Order, except to the extent expressly modified by specific terms of the Task Order. When a Task Order modifies the provision of this Agreement, the Article of this Agreement to be modified shall be specifically referenced in the Task Order and the modification shall be precisely described. Such modification shall apply only to the Services of that Task Order.

2. GENERAL SCOPE OF SERVICES

The City agrees to perform, or cause to be performed, for the Authority minor public work, , maintenance and design/permit review ("Services") as generally described below and further described in each individual Task Order in accordance with the requirements outlined in this Agreement.

The City shall perform Services to assist the Project within City property and the public right-of-way. Services may include, but are not limited to:

- Vegetation management and landscaping
- Removal or reinstallation of signage and traffic control devices
- Emergency response for minor repairs affecting project access or safety
- Design and Permit Review

All Services shall be performed in accordance with applicable City, State, and Federal standards for public works and maintenance.

3. PERIOD OF SERVICES

- 3.1. The period of service of this Agreement shall be for one (1) year, with options to extend up to three (3) times, subject to the conditions specified in Section 8 (Compliance with Law).
- 3.2. The specific period for the performance of the City's Services will be set forth in individual Task Orders.
- 3.3. The City shall give prompt written notice to the Authority whenever the City observes or otherwise becomes aware of any development that affects the scope or time of

performance or furnishing of the City's Services or any relevant, material defect or conformance in the City's Services.

- 3.4. If, through no fault of the City, such periods of time or dates are changed, or the orderly and continuous progress of the City's services is impaired, or the City's services are delayed or suspended, then the time for completion of the City's services shall be adjusted equitably.
- 3.5. If the Authority authorizes changes in the scope, extent, or character of the Project as described in a Task Order or the City's Services, then the time for completion of the City's Services, and the rates and amounts of the City's compensation, shall be adjusted equitably.

4. AUTHORITY'S RESPONSIBILITIES

The Authority shall:

- 4.1. Pay the City in accordance with the terms of this Agreement.
- 4.2. Designate in writing a person to act as the Authority's representative with respect to the Services to be performed or furnished by the City under this Agreement. The City may rely on instructions from such person regarding the transmission of instructions, interpretation, and description of the Authority's policies and decisions with respect to the City's Services for each Task Order.
- 4.3. Provide all criteria and full information as to the Authority's requirements for each Task Order, including, as applicable to the Services, objectives, performance requirements, flexibility, and expandability.
- 4.4. Be responsible for all requirements and instructions that it furnishes to the City pursuant to this Agreement, and for the accuracy and completeness of a Task Order.

5. CITY'S RESPONSIBILITIES

The City shall:

- 5.1. Provide all relevant studies, reports, and available data associated with the Task Order, and obtain or supply any additional reports and information as necessary to support the City's execution of services under a Task Order.
- 5.2. Provide access to and make all provisions for the City to enter upon public and private property as required for the City to perform services under a Task Order.
- 5.3. The City is responsible for obtaining all necessary permits for the City's work within the City property and the right-of-way unless otherwise specified in the Task Order. The City shall maintain accurate records of all work performed and submit activity reports to the Authority.
- 5.4. The City shall ensure all personnel are properly trained and equipped to meet safety standards applicable to the work performed.
- 5.5. The City shall maintain accurate cost accounting records that comply with and adhere to the federal cost principles outlined in 2 CFR Part 200, for the City's performance of the services.

6. PAYMENTS TO CITY FOR SERVICES

- 6.1. Total sum of all Task Orders under this Agreement will not exceed **One Hundred Thousand Dollars (\$100,000.00)** per period of service.
- 6.2. Each Party shall be responsible for any taxes, fees, or assessments imposed by law on that Party. Nothing in this Agreement shall be construed to create an obligation for either Party to pay or reimburse taxes that are not otherwise required by statute.
- 6.3. The Authority shall specify in each Task Order one of the following means by which the Authority will pay the City:

6.3.1. Cost Reimbursable Up to a Not-to-Exceed Amount

The Parties agree that hourly rates, as specified in Exhibit B, will serve as the basis for calculating the cost of services under each Task Order. Payment for labor shall reflect the actual time worked at the approved all-inclusive hourly rates, which cover all associated costs, including administrative expenses, travel, medical insurance, retirement contributions, sick leave, vacation, and labor and industry payments.

- 6.3.1.1. **Labor Costs:** Labor costs will be determined by the actual hours worked, using the all-inclusive hourly rates outlined in Exhibit B. These rates encompass all necessary expenses related to employee compensation and benefits.
- 6.3.1.2. **Material and Equipment Costs:** Material and equipment costs will be reimbursed based on the actual costs incurred for equipment, materials, or other related expenses, as applicable and as mutually agreed upon in the specific Task Order.
- 6.3.1.3. **Not-to-Exceed Amount:** For each Task Order, the total payment shall not exceed the Not-to-Exceed Amount specified within the Task Order document. Costs incurred beyond this amount will not be reimbursed unless an official amendment to the Task Order is executed to authorize additional expenditures.

6.3.2. Lump Sum (Fixed Price)

- 6.3.2.1. Under the Lump Sum (Fixed Price) payment method, the agreed-upon fixed price will be paid upon completion of one or more defined milestones. Each milestone's payment amount will be clearly set forth in the Task Order, and payment will be made upon satisfactory completion of each specified milestone.
- 6.4. The form of the City's invoices shall be approved by the Authority and shall include, at a minimum, a description of services provided, with appropriate documentation for the measurement of payments. Invoices for Services shall be prepared in accordance with the Authority's standard invoicing practices and shall be submitted to the Authority monthly, within ten (10) days after the end of the City's monthly billing period. Undisputed invoices are due and payable within sixty (60) days after receipt.
- 6.5. If the Authority disputes any part of an invoice, the Authority shall notify the City in writing within ten (10) days after receipt, detailing the nature of the dispute. The

Authority shall pay undisputed items in accordance with Section 6.4, and the City shall address any disputed items and resubmit the invoice for the disputed items for approval. Corrected invoices for disputed items are due and payable within thirty (30) days after Authority acceptance.

7. SERVICE STANDARDS

All services, and any other deliverables provided by the City pursuant to the Task Orders, shall conform to the City's specific format, content, and quality standards. However, the Parties may agree to amend these standards upon mutual agreement in writing prior to the commencement of the services.

The purpose of such standards is to ensure all Deliverables are consistent, transparent, and suitable for integration into the overall Project documentation and meet all applicable state and federal requirements.

8. COMPLIANCE WITH LAW

Each Party shall comply with all applicable federal, state, and local laws and regulations in the performance of this Agreement. This includes, but is not limited to, requirements related to the use of federal funds, public contracting, prevailing wage laws, and environmental regulations.

9. INDEMNIFICATION

To the fullest extent permitted by law, either Party (the "Indemnifying Party") shall indemnify, defend, and hold harmless the other Party, its officials, agents, and employees (the "Indemnified Party") from and against all third-party claims, damages, losses, and expenses (including reasonable attorneys' fees) arising from the negligent acts, errors, or omissions of the Indemnifying Party or its agents in the performance of this Agreement. The Parties reserve the right to approve legal counsel appointed to defend them.

10. THIRD-PARTY CLAIMS

- 10.1. **Notice.** If a third party brings a claim, action, or suit ("Claim") against a Party for which the other Party may have liability, the notified Party must promptly provide written notice of the Claim to the other Party, including all relevant legal documents.
- 10.2. **Defense.** Each Party has the right to participate in the defense of a Claim with the counsel of its own choosing. A Party's liability is conditioned upon receiving timely notice and a meaningful opportunity to participate in the defense and settlement of the Claim.
- 10.3. **Contribution.** If either Party is found to be jointly liable with the other Party, the jointly liable Party shall contribute to the expenses, judgments, and settlement amounts in proportion to its relative fault.

11. INSURANCE

The City shall maintain insurance coverage sufficient to address risks associated with the Services within City property and the right-of-way, including general liability, workers' compensation, and automobile liability. Evidence of coverage shall be provided to the Authority upon request.

12. DISPUTE RESOLUTION

The Parties shall first attempt to resolve any dispute through good-faith negotiation involving one or more designated Authority Commissioner(s) and a senior representative appointed by the City, each with the authority to settle the dispute. If negotiation fails, the Parties agree to participate in non-binding mediation with a mutually selected mediator before pursuing any other legal or equitable remedies. The Parties agree to continue performance during this process to the extent practicable and consistent with public safety, available funding, and applicable law.

13. DEFAULT AND REMEDIES

- 13.1. Notice of Non-Performance.** If either Party believes that the other Party has failed to materially perform its obligations under this Agreement or a Task Order, the non-performing Party shall be provided with written notice describing the nature of the alleged non-performance in reasonable detail.
- 13.2. Opportunity to Cure.** Upon a notice of non-performance, the Parties shall use the dispute resolution process to resolve the issue in good faith. The non-performing Party shall be afforded opportunity to cure the non-performance within a reasonable time as agreed upon by the Parties pursuant to the dispute resolution process.
- 13.3. Remedies.** If the non-performance is not cured as agreed to by the Parties, the affected Party may pursue one or more of the following remedies:
- Terminate the affected Task Order for cause; or
 - Terminate this Agreement for cause, in whole or in part.

14. TERMINATION

- 14.1. For Convenience.** Either Party may terminate this Agreement without cause by providing thirty (30) days' written notice.
- 14.2. For Cause.** Either Party may terminate this Agreement for cause that is not cured upon exhaustion of the dispute resolution process and within fourteen (14) days of written notice to the non-performing Party.
- 14.3. Due to Change in Law or Funding.** Either Party may terminate this Agreement if federal or state laws, regulations, or guidelines are modified or interpreted in such a way that either the work under this Agreement is prohibited or the Authority is prohibited from paying for such services from the planned funding source; or in the event that funds are not appropriated.
- 14.4. Obligations upon Termination.** Upon termination, the City shall cease work, take steps to minimize costs, and deliver all work products to the Authority. The Authority shall compensate the City for all services performed up to the termination date.

15. NOTICES

All notices under this Agreement must be in writing and will be deemed received (a) upon personal delivery, (b) three (3) business days after deposit in the U.S. certified mail, or (c) on the date of transmission by electronic mail, provided a copy is also sent by another method.

- For the Authority:
Hood River-White Salmon Bridge Authority
PO Box 1425
Hood River, OR 97031
Email: info@hrwsba.gov
- For City:
City of White Salmon
100 N. Main Street
White Salmon, WA 98672
Attn: Chris True, Public Works Director
Email: ChrisT@whitesalmonwa.gov

16. GENERAL PROVISIONS

- 16.1. **Independent Status.** In the performance of this Agreement, the Parties will be acting in their governmental capacities and not as agents, employees, partners, joint ventures, or associates of one another. The Parties intend that an independent contractor relationship will be created by this Agreement. The employees or agents of one Party shall not be deemed or construed to be the employees or agents of the other Party for any purpose whatsoever. Neither the City, nor any City employee, shall make any claim of right, privilege, or benefit that would accrue to an Authority employee under Chapter 41.06 RCW or Title 51 RCW.
- 16.2. **No New Powers.** This Agreement does not create or grant any powers, rights, or authority beyond those that the Parties already possess under applicable law. Each Party is exercising its existing governmental powers pursuant to ORS Chapter 190 and RCW Chapter 39.34, and no delegation or transfer of statutory authority is intended except as expressly stated herein.
- 16.3. **Sovereign Immunity.** Nothing in this Agreement shall be construed as a waiver of the sovereign immunity or other legal defenses available to either Party.
- 16.4. **Records and Audits.** The City shall maintain all Project-related records for at least six (6) years after final payment. Such records shall be subject to audit by the Authority and relevant state and federal agencies.
- 16.5. **Ownership of Work Products.** All reports, documents, data, photographs, records, and other work products developed or obtained by either Party in connection with the Services ("Work Products") are governmental records and shall be owned by the Party that created them. To the extent required for the Project, each Party grants the other a non-exclusive, royalty-free license to use such Work Products for governmental purposes related to the Project, subject to applicable public records laws and confidentiality requirements.
- 16.6. **No Third-Party Beneficiaries.** This Agreement is for the sole benefit of the Parties and is not intended to create any third-party rights.

- 16.7. **Entire Agreement.** This Agreement, including all exhibits and appendices, constitutes the entire agreement between the Parties and supersedes all prior oral or written understandings on this subject.
- 16.8. **Amendment.** This Agreement may only be amended by a written instrument executed by both Parties. No modification to the Scope of Work, services, budget, or project timeline shall be valid unless made in a formal written amendment and signed by authorized representatives of both Parties.
- 16.9. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Oregon. Venue for any action shall be in a court of competent jurisdiction in Hood River County, Oregon, or Klickitat County, Washington.
- 16.10. **Severability.** If any provision of this Agreement is held invalid, the remaining provisions shall remain in full force and effect.
- 16.11. **Counterparts.** This Agreement may be executed in counterparts, each of which is an original and all of which constitute one and the same instrument.

(Signatures on the Following Page)



IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

CITY OF WHITE SALMON

By: _____

Name: _____

Title: _____

HOOD RIVER-WHITE SALMON BRIDGE AUTHORITY

By: _____

Name: _____

Title: _____

Approved for Legal Sufficiency

Marc Greenough, Counsel

EXHIBIT A

TASK ORDER TEMPLATE

TASK ORDER NO. [XX]

Under the Intergovernmental Master Services Agreement Between Hood River-White Salmon Bridge Authority and City of White Salmon

1. Task Order Title

- *[Brief Description/Location]*

2. Effective Date

- *This Task Order is effective as of: [Date]*

3. Scope of Services

The City shall perform the following services within City property and/or public right-of-way to support the Project:

- *Service Description(s): [Specify Services]*
- *Location(s): [Insert specific locations]*
- *Permitting: [Specify responsible party]*

4. Schedule

- *Start Date: [Date]*
- *Completion Date: [Date]*
- *Milestones: [List milestones if applicable]*

5. Compensation

- *[Not to Exceed Cost Reimbursable] or [Negotiated Lump Sum]: \$[Amount]*
 - *Backup: calculation for the agreed compensation amount using the rates in Exhibit B*
- *Payment Method: [Not to Exceed Cost Reimbursable] or [Negotiated Lump Sum]*
- *Invoicing: Monthly with activity report*

6. Authority's Field Representative (For this Task Order)

- *Name: []*
- *Title: []*
- *Contact Information: []*

7. City's Field Representative (For this Task Order)

- *Name: []*
- *Title: []*
- *Contact Information: []*

8. Additional Terms

- *[List any special requirements or coordination needs]*

9. Attachments

- *[Drawings]*
- *[Maps]*
- *[Other Relevant Documents]*

Acceptance of the terms of this Task Order is acknowledged by the following authorized signatures of the parties to the Agreement:

Hood River-White Salmon Bridge Authority

By: _____

Name: _____

Title: _____

City of White Salmon

By: _____

Name: _____

Title: _____

EXHIBIT B

LABOR RATE AND EQUIPMENT RATES

1. Labor Rates (City Staff)

- 1.1. Classifications & Rates: The City will provide a table of applicable classifications with fully burdened hourly rates, including the effective date. Rates are reviewed and updated annually through the City's budget process unless otherwise required by labor agreements. The attached labor rates are for 2025 and will be updated in 2026.
- 1.2. Overtime and Call-Outs
 - 1.2.1. Overtime is calculated at 1.5× the base fully burdened hourly rate.
 - 1.2.2. Call-outs are billed at a minimum of two (2) hours at 1.5× the fully burdened hourly rate, regardless of actual time worked.
 - 1.2.3. Standby, when applicable, will be billed in accordance with City personnel policies and labor contracts.
- 1.3. Markup: All labor rates, including straight time, overtime, and call-out labor, shall include a seventeen percent (17%) markup.

2. Equipment Rates

2.1. City-Owned Equipment and Small Tools

- 2.1.1. Schedule of Rates: The City utilizes the Federal Emergency Management Agency (FEMA) Schedule of Equipment Rates as the basis for City-owned equipment and small-tool charges. The version in effect at the time of work shall apply.
- 2.1.2. Categories & Pricing: Rates follow FEMA classifications for equipment and small tools, including but not limited to pickup trucks, bucket trucks, chippers, vactor/vacuum trucks, chainsaws, and pole saws. Rates are considered with operator only where FEMA explicitly includes operator costs; otherwise, operator labor will be billed separately under labor rates.
- 2.1.3. Minimum Charges: There are no minimum usage or daily charges for City-owned equipment or small tools. Charges are based on actual hours of use in accordance with FEMA rate guidance.
- 2.1.4. Fuel & Maintenance: Fuel, routine maintenance, and normal wear items are included in FEMA equipment rates unless otherwise specified by FEMA guidance.
- 2.1.5. Markup: All City-owned equipment and small-tool rates shall include a seventeen percent (17%) markup.

2.2. Rental Equipment

- 2.2.1. Rates: Rental equipment rates shall be set by the rental company based on the applicable rental agreement or invoice.
- 2.2.2. Billing Basis: Rental equipment will be billed at actual cost incurred, supported by vendor documentation.

- 2.2.3. Markup: All rental equipment costs shall include a seventeen percent (17%) markup, unless otherwise agreed to in writing by the City.

3. Consumables and Supplies

- 3.1. Consumables and safety supplies (e.g., PPE, fuel mix, bar oil, trimmer line) are considered part of normal operations and are not billed separately unless expressly authorized in advance by the City.

4. Other Notes

- 4.1. All rates and billing practices are subject to annual review and update.
- 4.2. The City will provide updated tables and schedules as required.
- 4.3. Any exceptions or modifications to these terms must be agreed to in writing by both Parties.

**EXHIBIT B
ATTACHMENT 1**

**LABOR RATE
2025**

Classifications	Fully Burdened Rate Per Hour Wage	Over Time Calculation (*1.5)	Standby Rate Per Hour	Effective Date	Update Cadence
Director	\$72.38	\$72.38	\$0.00	1/1/2025	Annual/As Needed
Operations Manager	\$60.41	\$60.41	\$0.00	1/1/2025	Annual/As Needed
Foreman	\$57.16	\$85.74	\$8.07	1/1/2025	Annual/As Needed
Maintenance Worker II	\$50.75	\$76.13	\$8.07	1/1/2025	Annual/As Needed
Maintenance Worker I	\$46.41	\$69.62	\$8.07	1/1/2025	Annual/As Needed
Parks and Building Lead	TBD (Empty Position)	TBD	\$8.07	1/1/2025	Annual/As Needed
Seasonal	TBD (Empty Position)	TBD	\$8.07	1/1/2025	Annual/As Needed

File Attachments for Item:

A. Planning Commission's 2026 Workplan (Continued from January 21, 2026)

1. Presentation
2. Discussion
3. Action



CITY COUNCIL REPORT



Business Item

Needs Legal Review:

Meeting Date:

Agenda Item:

Presented By:



Consent Agenda

No

February 4, 2026

Planning Commission's 2026 Workplan

Rowan Fairfield, City Planner

Action Required

Consider, revise as desired, and approve the Planning Commission's 2026 Workplan

Motion for Business Item / Proposed Motion for Consent Agenda

Move that Council approve the Planning Commission's 2026 Workplan

Explanation of Issue

This Workplan was created as a device to keep Council and Commission priorities in alignment, based on discussion from our Joint Meeting in September 2025. The Commission revised some items and recommended it for Council's consideration at its meeting on January 14, 2026. We do not anticipate that all items can be addressed in one year. Some items will be more complex, contentious, and/or time-consuming than others. Council is entitled to add, remove, or revise any item at its discretion.

The items are numbered, but these do not indicate a preference or priority; Commission defers that decision to Council. Two approaches are possible:

- sort the list by priority and then follow that order, or
- remove any item that Council does not want this year, and let the Commission choose the next item case-by-case.

At the January 21 Council meeting, Council Rainbolt requested that the Council defer until today's meeting so he could have the opportunity to suggest alternatives. That request was moved, seconded, and approved. The second document attached for this agenda item is Councilor Rainbolt's input. Councilor Giant cautioned against unnecessary delays and emphasized the importance of maintaining momentum on actionable items.

City Council Options:

1. Approve the Planning Commission's 2026 workplan with no revisions.
2. Amend the workplan and then approve.
3. Defer action for additional information or discussion.
4. Remand the workplan back to the Commission.
5. Other action that may be desired by the Council.

Fiscal Analysis:

There are no cost implications tied to the workplan.

Recommendation of Staff:

It is recommended by staff that the City Council amend the workplan as desired, give direction as to the order of priority, and approve it.

Annual Work Plan 2026 DRAFT

White Salmon Planning Commission

Councilor Rainbolt Input

January 28, 2026

Activity 1: Explore the possibility of permitting shared utilities			
Item	Notes	Timeline	Who
#1	<p>This issue is of significant interest to developers, contractors, and property owners, particularly in higher-density developments. A common industry practice has been to reduce construction time, cost, and spatial requirements by permitting multiple residential units to share a single physical utility connection, most notably sanitary sewer laterals. This approach is also employed as a means of future-proofing infrastructure capacity, such as accommodating short-plat or phased subdivision development.</p> <p>The excavation and installation of utility connections represent a substantial capital cost, in addition to municipal connection charges and permitting requirements. However, shared utility connections introduce material operational and legal risks. A failure within a shared line may result in a service interruption affecting multiple properties, with corresponding liability exposure, including inter-owner disputes and potential claims that could extend to the City. Further, this approach can necessitate the drafting, negotiation, and long-term enforcement of shared utility easements and</p>	TBD by Planning Commission	TBD by Planning Commission

	<p>maintenance agreements, adding legal and administrative complexity.</p> <p>Scope of project: Conduct a survey (qualitative and quantitative) that details:</p> <ol style="list-style-type: none"> 1. What other jurisdictions allow shared utilities? Find examples of both successful and unsuccessful models. 2. Why does that work for them (or not)? 3. What are the Pros and Cons associated with shared utilities? 4. What would it take if WS wanted to explicitly allow them? What are the guardrails? 		
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Activity 2: Explore Upgrading utility fee structures to use Service Development Fee model for new development.

Item	Notes	Timeline	Who
#2	<p>Service development fees in Washington State—often referred to as impact fees—are one-time charges imposed by local governments on new development to fund growth-related infrastructure, including sewer systems, water infrastructure, roads, schools, fire protection, and parks. These fees are authorized under RCW 82.02.090 and must be reasonably proportional to the project's impact. As of 2024, multifamily developments in Washington faced average combined impact fees of approximately \$11,207 per unit.</p>	TBD by Planning Commission	TBD by Planning Commission

	<p>The following questions are to be addressed by the Planning Commission, with support from staff:</p> <ol style="list-style-type: none"> 1. Is there a Service Development Fee model that we can agree upon that covers the City's cost and is proportional to the developer's impact on the community and supportive of the City's Comprehensive Plan? 2. What are other Cities doing that work and what were their lessons learned? 3. Answer the question as to whether or not current fee structures, given cost and what other city's charge, is correctly set, and if not, what is the exposure (e.g., opportunity costs). 4. What additional burdens would be placed on staff? 5. How would such an upgraded program be rolled out and under what timeline? 		
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Activity 3: Voice of Resident, Developer, and Contractor Inputs

Item	Notes	Timeline	Who
#3	Conduct semiannual "pulse" meetings with the public, including residents, developers, and contractors. Use these meetings to gather community feedback on what is working well and where improvements are needed, and to respond to public questions. The	TBD by Planning Commission	TBD by Planning Commission

	<p>meetings would include a question-and-answer session, along with a brief status update on the City's progress against key metrics (e.g., applications processed, permits issued, projects completed, progress toward housing goals and the Comprehensive Plan, and any obstacles impeding progress).</p> <p>Prepare a summary presentation and develop actionable recommendations for City Council and staff.</p>		
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Activity 4: Curator of approved home plans (both SF and MF) that residents can pull from for reduced or no costs.

Item	Notes	Timeline	Who
#4	<p>This work would build upon the efforts undertaken in 2023 and 2024, which were led primarily by Dr. Michael Mehaffy. During that period, an inventory of affordable housing plans was shared with residents. For example, resident designer Mark Sanborn contributed affordable house designs that included engineering documentation, and Dr. Mehaffy presented numerous additional designs. However, this process was never formalized, nor was a permanent curator appointed.</p> <p>Under this proposal, the Planning Commission would serve as the curator and could include volunteers from the Commission who would work directly with interested residents to review plans and assist with integrating them into development applications. This effort could also be extended</p>	TBD by Planning Commission	TBD by Planning Commission

	through collaboration with land trusts to further enhance project affordability.		
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Activity 5: WSMC Ordinance Reviews (Titles 16, 17, 18, 19)

Item	Notes	Timeline	Who
#5	Conduct an independent review of ordinances with a focus on clarity of roles and responsibilities—specifically, whether residents can easily understand the code and its intended purpose—and assess whether the ordinances are consistent with and supportive of the Comprehensive Plan. A practical approach could involve focusing on one code title each quarter or every six months. Upon completion of each review, present findings and actionable recommendations to City Council and staff.	TBD by Planning Commission	TBD by Planning Commission

Activity 6: Bi-Monthly Office Hours

Item	Notes	Timeline	Who
#6	Scheduled office hours with residents, developers, contractors, and other interested parties. Designed as an inputs meeting whereby people share their broad interest and concerns about land use and development in White Salmon. This is not a decision-making body, however planning commission can answer questions, point people in the right direction, and funnel important inputs to City Council.	TBD by Planning Commission	TBD by Planning Commission



Annual Work Plan 2026 DRAFT

White Salmon Planning Commission

Goal 1: Approve the meeting minutes at the very next meeting

Goal 2: TBD

*Note: The numbers below do **not** indicate a priority or preference.*

Activity 1: Explore the possibility of permitting shared utilities

Item	Notes	Timeline	Who
	Questions like: <ul style="list-style-type: none"> • What other jurisdictions allow shared utilities? Find examples of both successful and unsuccessful models. • Why does that work for them (or not)? • What are the pros and cons? • What would it take if WS wanted to explicitly allow them? 		

Activity 2: Trash Can Nuisances

Item	Notes	Timeline	Who
	To address residents leaving out their garbage cans for extended periods of time.		

Activity 3: E-Bike Regulation

Item	Notes	Timeline	Who
	To address unregulated use of electric bicycles, particularly throttle-only models operated by minors on streets and sidewalks.		

Activity 4: Short-term rentals in Commercial Zones

Item	Notes	Timeline	Who
	The Code limits STRs to be 30% of the dwellings on a single parcel in the C zone. This effectively prohibits <u>all</u> single-family homes in the C zone from being used as a STR (except for legacy/grandfathered cases). Should this be revisited?		

Activity 5: Downtown parking

Item	Notes	Timeline	Who
	<p>Required parking for commercial uses has precluded some nonconforming residential properties from converting to a commercial use. Likewise, some vacant lots in downtown may be difficult to develop because they are historical parcels, created before parking mandates and lacking space for modern off-street parking.</p> <p>Should this be examined further? Some communities have a "downtown parking district" with relaxed rules, or a "fee-in-lieu" when a new business cannot provide the minimum off-street parking spaces.</p>		

Activity 6: Mobile vendors

Item	Notes	Timeline	Who
	We do not have any specific standards for mobile vendors. Should we?		

Activity 7: Pre-approved building plans

Item	Notes	Timeline	Who
	The city had previously done some work on pre-approved building plans for accessory dwelling units (ADUs), but it was never completed. This was a suggested action from the Housing Action Plan. Should we resume the work?		

File Attachments for Item:

B. Memorandum of Understanding (MOU) – Alpine Grove Properties Water Main Upsizing and Impact Fee Waiver

1. Presentation
2. Discussion
3. Action



COUNCIL REPORT



Business Item



Consent Agenda

Needs Legal Review:

Completed

Meeting Date:

2/4/2026

Agenda Item:

Memorandum of Understanding (MOU) – Alpine Grove Properties Water Main Upsizing and Impact Fee Waiver

Presented By:

Chris True, Public Works Director

Action Required:

Motion to approve the Memorandum of Understanding between the City of White Salmon and White Salmon Storage Units LLC, Alpine Grove Property Lot 2 LLC, and Alpine Grove Property Lot 3 LLC.

Motion for Business Item / Proposed Motion for Consent Agenda:

Move to approve the Memorandum of Understanding between the City of White Salmon and White Salmon Storage Units LLC, Alpine Grove Property Lot 2 LLC, and Alpine Grove Property Lot 3 LLC, authorizing acceptance of an upsized eight-inch (8") public water main and waiving water and sewer impact fees in an amount not to exceed \$36,435.

Background of Issue:

WS Storage Properties received approval for three short plat applications. During review, it was identified that an existing two-inch (2") City water line did not meet Washington State Department of Health separation requirements due to its proximity to an existing sewer main, requiring relocation.

Explanation of Issue:

As part of development, WS Storage Properties installed an upsized eight-inch (8") public water main in accordance with City standards. This resolved the DOH compliance issue, avoided City construction costs, and provides enhanced capacity and long-term infrastructure benefit.

Council Options:

City Council has the following options available currently:

1. Accept the Staff Recommendation and approve the Memorandum of Understanding.
2. Revise the Staff Recommendation.
3. Other action as may be desired by the City Council.
4. Refer this issue back to staff for further work.
5. Take no action on this matter.

Fiscal Analysis:

Impact fees waived: \$36,435

City avoided cost: \$75,982.32

Net financial benefit to the City: \$39,547.32

In addition, the City receives a developer-funded eight-inch (8") public water main that exceeds minimum system requirements.

Recommendation of Staff/Committee:

Staff recommends approval of the Memorandum of Understanding as it provides a net financial benefit to the City, resolves a DOH compliance issue, and delivers improved public water infrastructure at no cost to the City.

City Operations Committee was presented the information and recommended approval of the Memorandum of Understanding.

Follow Up Action:

Execute the Memorandum of Understanding.

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“Agreement”) made this _____ day of _____, 2026, by and between the CITY OF WHITE SALMON, a municipal corporation of the State of Washington, hereinafter referred to as “City”, and WHITE SALMON STORAGE UNITS LLC, ALPINE GROVE PROPERTY LOT 2 LLC, and ALPINE GROVE PROPERTY LOT 3 LLC, hereinafter referred to as “WS Storage Properties”.

RECITALS

1. WS Storage Properties owns or controls certain real property which is located in the City of White Salmon, Washington.
2. WS Storage Properties submitted three (3) short plat applications under City File Nos. WS-SP-2025.005, .003, and .002, which were approved by the City.
3. The City is required by the Washington State Department of Health (DOH) to relocate an existing two-inch (2") water line due to its proximity to an existing sewer main, which does not meet current separation requirements.
4. During the course of development of the Project as noted herein, WS Storage Properties has caused to be installed a water main line for the benefit of the WS Storage Properties, which line has been upsized. See Exhibit “A”.
5. The City has determined that the upsizing of the water line benefits the Project, as well as other properties, and improves the general infrastructure of the City.
6. Attached as Exhibit “B” is a cost analysis associated with the alteration of the water line.
7. Said cost analysis indicates that the value of the City’s avoided construction cost exceeds the impact fees proposed to be waived, which the City has agreed to account for by waiving all otherwise applicable water and sewer impact fees otherwise attributable to the Project.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN, CITY AND WS STORAGE PROPERTIES AGREE AS FOLLOWS:

1. Completion and Acceptance.

WS Storage Properties has installed an upsized water main in accordance with City-approved plans, specifications, and applicable City standards, as further described in Exhibit “A”. Upon completion of construction, the water main shall be subject to inspection, testing, and final acceptance by the City of White Salmon Public Works Director, or their designee water main will be transferred free and clear of liens, via standard City acceptance and Bill of Sale documents.

2. Impact Fee Waiver.

Fees will be waived at the time they would otherwise be due, following completion and acceptance by the City of White Salmon Public Works Director, or their designee, the City shall waive all water and sewer impact fees otherwise attributable to the Project, in an amount not to exceed \$36,435 documented in Exhibit “B”.

3. This Agreement is binding on and shall inure to the benefit of the parties and their successors and assigns.

4. This Agreement shall be enforceable by the parties in accordance with Washington law.

5. This Agreement shall not in any way supplant the development process and requirements as provided by local, state, and federal codes, regulations, and standards, except as expressly provided herein regarding impact fees.

DATED this _____ day of _____, 2026.

“CITY OF WHITE SALMON”

“WHITE SALMON STORAGE UNITS LLC,
ALPINE GROVE PROPERTY LOT 2 LLC,
ALPINE GROVE PROPERTY LOT 3 LLC”

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

STATE OF WASHINGTON)
COUNTY OF KLIKITAT) ss

I certify that _____ appeared personally before me and that I know or have satisfactory evidence that he/she signed this instrument as the _____ of the City of White Salmon, and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this _____ day of _____, 2026.

Notary Public for the State of Washington

Residing at _____

My Commission Expires: _____

STATE OF WASHINGTON)
COUNTY OF KLIKITAT) ss

I certify that _____ appeared personally before me and that I know or have satisfactory evidence that he/she signed this instrument as the _____ of _____, and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this _____ day of _____, 2026.

Notary Public for the State of Washington

Residing at _____

My Commission Expires: _____

EXHIBIT “A”**Description of Upsized Water Main Improvements**

WS Storage Properties caused the design and installation of an upsized public water main to serve the Alpine Grove Properties, located in the City of White Salmon, Klickitat County, Washington. The improvements consist generally of approximately 312 linear feet of eight-inch (8") PVC C900 water main, including associated fittings, valves, blowoff assembly, service connections, and appurtenances, constructed in accordance with City-approved plans titled “Alpine Grove Property Water Line” prepared by Pioneer Surveying and Engineering, Inc., dated September 15, 2025. Upon final inspection, testing, and acceptance by the City of White Salmon Public Works Director, or their designee, the water main and associated appurtenances shall be transferred to City ownership.

EXHIBIT “B”**Cost Comparison and Impact Fee Offset Analysis****Impact Fee Waiver vs. City Avoided Cost**

The City was required by the Washington State Department of Health (DOH) to relocate an existing two-inch (2") water line due to its proximity to an existing sewer main. Absent the upsized water main installed by WS Storage Properties, the City would have been required to relocate and replace the minimum required two-inch (2") water main at City expense.

Impact fees to be waived:

Sewer impact fee: \$10,000

Water impact fee: \$26,435

Total impact fees waived:

\$36,435

City baseline cost (minimum required two-inch (2") water main):

Contractor installation: \$68,225.00

City materials / parts: \$7,757.32

Total City cost (2" water main):

\$75,982.32

Net financial outcome to the City:

City avoided cost: \$75,982.32

Impact fees waived: \$36,435.00

Net financial benefit to the City:

\$39,547.32

(\$75,982.32 minus \$36,435.00)

In addition to the net financial benefit, the City receives a developer-funded eight-inch (8") water main, which exceeds minimum system requirements and provides increased capacity and long-term infrastructure benefit to the City and surrounding properties.

File Attachments for Item:

A. Council Member/Committee Reports



CityLab BOARD REPORT

Meeting Date: January 26, 2026

Presented By: David Lindley, City Councilor

Current Projects:

Development of 2026 City Lab Board Focal Areas

1. Recruitment of CityLab Board Members
2. Implementation of Emissions Reduction Plan
 - a. Develop New Residential Construction EV Charging Capable/Ready Ordinance
 - b. Research Residential Electrification Initiatives
3. Advance Water Conservation Initiatives & Partnerships
4. Coordinate with Planning Commission on Development of Pre-Approved ADU Plan(s)
5. Advance Multi-modal Transportation Projects

Upcoming Projects:

Board Recruitment – member outreach and Voyent Alert (?)

Update Board Webpage

Meeting Dates on City Webpage Calendar (?)

Completed Projects: N/A

Updates for the Community/ Upcoming Events: N/A

Collaboration Updates (Other jurisdictions, agencies, or partner organizations): N/A

Follow-Up to Previous Actions: N/A

File Attachments for Item:

B. Department Head Reports



DEPARTMENT HEAD REPORT

To: Mayor and City Council
From: Jennifer Neil, Director of Finance & Operations
Date: February 4, 2026
Subject: Cash Flow Management – LGIP Transfer Recommendation and Mt. Adams Chamber 2025 Lodging Tax Grant Reimbursement

Summary

This staff report addresses two related financial administration items:

1. A recommendation from the Personnel and Finance Committee regarding short-term cash flow management through the use of the City's Local Government Investment Pool (LGIP); and
2. A request for Council's verbal direction to proceed with a future budget amendment to allow reimbursement of 2025 lodging tax grant invoices submitted late by the Mt. Adams Chamber of Commerce.

1. Personnel and Finance Committee Recommendation – LGIP Cash Flow

Attached is the most recent Personnel and Finance Committee memorandum regarding cash flow management for reimbursable capital projects. The Committee reviewed staff's analysis of short-term cash timing related to Public Works Board-funded construction activity and unanimously recommended utilizing LGIP as the City's primary short-term cash-flow bridge rather than pursuing interim construction financing.

As part of that discussion, it is important for Council to be aware that this project will generate significantly larger applications for payment than the City typically processes. During peak construction months, staff anticipates contractor pay applications of approximately **\$900,000 per month**.

While all eligible costs are reimbursable, reimbursement requests typically trail expenditures by several weeks. As a result, the City must temporarily advance cash for these large payment cycles before reimbursement is received. This represents a predictable and temporary timing issue—not a funding shortfall.

Based on the Committee's review and recommendation, staff concurs that using LGIP balances provides the most practical and cost-effective tool to manage these short-term cash timing needs.

This item is being brought forward to Council to acknowledge and affirm the Personnel and Finance Committee's recommendation. All necessary documents to withdraw funds will be presented to Council at a later date.



2. Mt. Adams Chamber of Commerce – 2025 Lodging Tax Grant Reimbursement

It has been brought to staff's attention that the Mt. Adams Chamber of Commerce missed the established deadline for submitting invoices for reimbursement under its 2025 lodging tax grant award.

At this point, the City is beyond the 2025 open budget period. As a result, staff is unable to process or pay 2025 lodging tax grant reimbursements within the adopted 2025 budget. The City currently only has adopted budget authority for 2026 lodging tax grant awards, which is why the established quarterly invoice deadlines are an important administrative control.

Staff understands, however, that the Chamber may not have the financial capacity to absorb these expenses as a result of the missed deadline.

Proposed Path Forward

Staff is requesting Council's verbal direction on whether to proceed with preparing a future budget amendment that would allow reimbursement of the Chamber's eligible 2025 invoices as a one-time accommodation.

If Council supports this approach, staff would:

- Prepare a formal budget amendment for Council consideration to establish the necessary 2025 lodging tax grant appropriation authority;
- Issue a written notice to the Mt. Adams Chamber emphasizing the importance of timely quarterly invoice submissions, as this has been an ongoing administrative issue; and
- Process reimbursement of the eligible 2025 invoices only after the budget amendment is formally adopted.

Under this approach, the Chamber's first quarter 2026 reimbursement request would be held until the approved budget amendment is in place.

Recommended Council Action

Staff recommends that Council:

1. Acknowledge and affirm the Personnel and Finance Committee's recommendation to utilize LGIP balances as a short-term cash-flow tool in support of reimbursable capital projects; and
2. Provide verbal direction on whether staff should prepare a future budget amendment to allow a one-time reimbursement of eligible 2025 lodging tax grant invoices submitted late by the Mt. Adams Chamber of Commerce.



CITY OF WHITE SALMON

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Personnel & Finance Committee

Cash Flow Management for Reimbursable Capital Projects

Date: January 26, 2026

Prepared by: Jennifer Neil, Director of Finance & Operations

Purpose

This report provides an overview of the City's short-term cash flow timing related to reimbursable capital projects and outlines available cash-management options. The intent is to support committee discussion regarding the use of existing liquidity tools during peak construction months.

Issue Summary

The City currently has multiple infrastructure projects underway that are fully funded through secured reimbursement sources (PWB). While project costs are reimbursable, reimbursements typically trail expenditures by approximately one month.

As construction activity ramps up, particularly between March and July, the City must temporarily front project costs before reimbursement is received. This creates a predictable, short-term cash timing gap, not a funding shortfall.

Baseline Operating Cash Flow Context

To provide context, I have reviewed the City's baseline operating net cash flow, excluding capital and the historical fire funds. This analysis demonstrates that even under normal operations, cash inflows and outflows fluctuate month-to-month due to payroll cycles, utility billing timing, property tax collection, and other routine factors.

Key takeaway: Cash flow variability is normal and already managed through standard treasury practices. Capital reimbursement timing temporarily sits on top of this baseline activity.

Figure 1: Baseline Operating Net Cash Flow

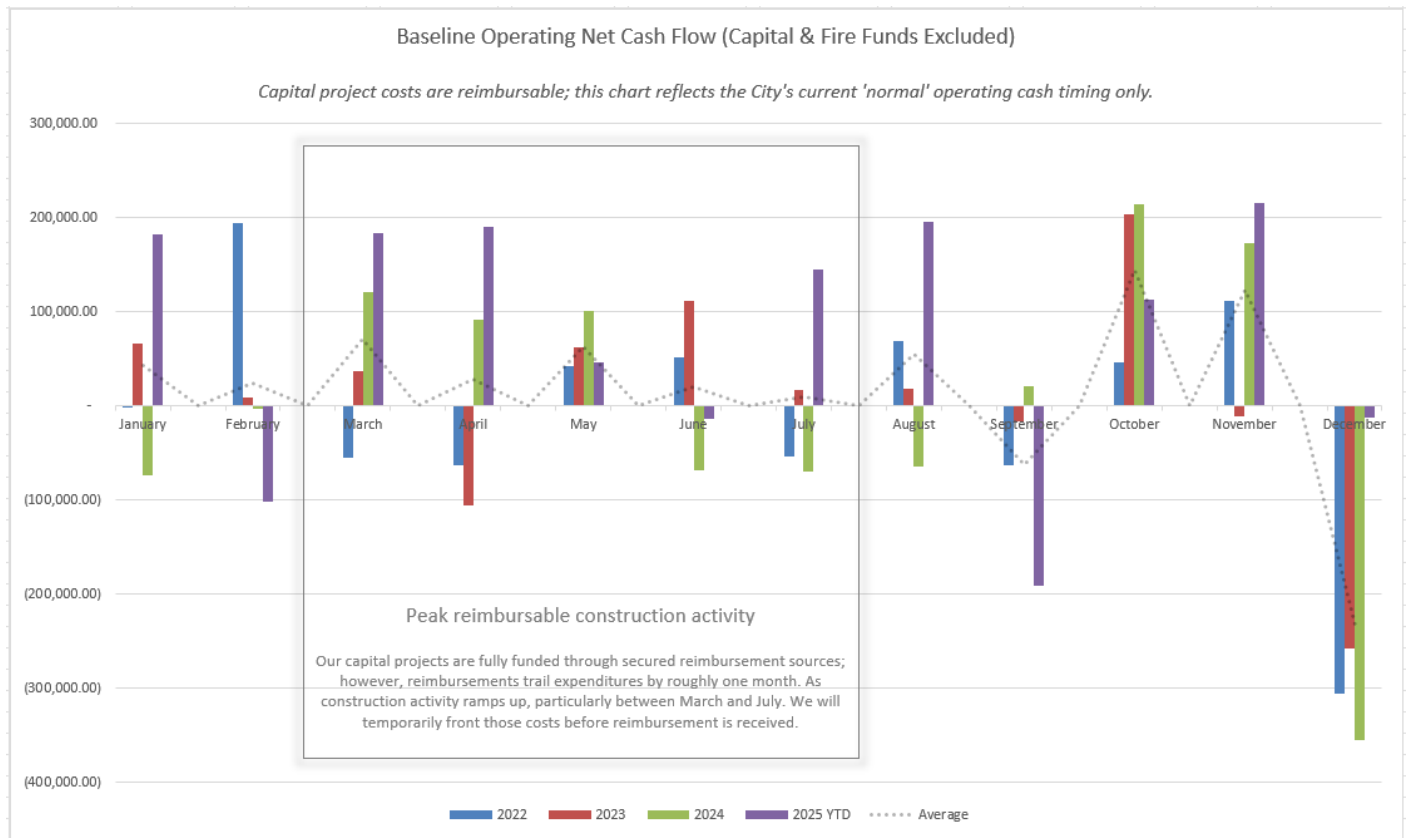
Total annual net cash flow averages \$289,101.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2022	(1,547)	194,486	(54,515)	(62,553)	42,359	52,261	(53,134)	68,681	(63,000)	46,362	111,204	(305,194)
2023	67,048	8,730	36,771	(105,158)	62,526	111,970	17,320	18,560	(16,590)	204,249	(10,788)	(257,915)
2024	(73,772)	(2,528)	120,508	91,829	101,134	(68,504)	(69,681)	(63,875)	21,458	213,908	173,229	(355,455)
2025	182,847	(101,774)	183,720	190,911	46,428	(13,953)	145,265	195,657	(190,647)	112,989	216,343	(11,766)
AVE	43,644	24,728	71,621	28,757	63,112	20,444	9,943	54,756	(62,195)	144,377	122,497	(232,583)



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The outlined period reflects the months when reimbursable construction activity is expected to peak and when temporary cash bridging is most likely to occur.

Local Government Investment Pool (LGIP) Status & Capacity

As of December 31, 2025, the City's LGIP position is as follows:

- LGIP Balance: approximately \$5.36 million
- Net Annualized Earnings Rate: 3.8762%
- Monthly Net Earnings (December): \$17,641

LGIP would be used as a temporary cash-flow bridge to manage reimbursable construction timing, not to fund projects.

Estimated Interest Impact

Based on December 2025 earnings:

- A \$1.0 million LGIP draw would reduce interest earnings by approximately \$3,200–\$3,300 per month
- This impact is temporary and reverses as reimbursed funds are returned to LGIP

LGIP draws incur no transaction, legal, or issuance costs and can be scaled or reversed as needed.

Alternative Considered: Interim Construction Financing (Illustrative)



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I also evaluated the theoretical use of interim construction financing as an alternative cash-flow solution. Interim financing was last utilized by the City in 2023 for the USDA Mainline Project.

Although the City's cash-flow need is approximately \$1 million, interim financing would likely require authorization for the full project amount, which is approximately \$7 million. Banks underwrite and document interim facilities based on total project exposure, even when draws occur incrementally.

Cost & Administrative Considerations

The most straightforward cost identified from prior interim financing was a bank cost of approximately 1.5% of the authorized amount. For a project of this size, this would equate to approximately \$100,000, excluding:

- Legal review and documentation
- Closing and issuance costs
- Internal staff time

These costs are largely fixed once the facility is executed, regardless of how much is ultimately drawn.

Comparison of Options

Item	LGIP (Temporary Draw)	Interim Financing (Illustrative)
Amount Required	As needed (e.g., \$1.0M)	Full project amount (~\$7.0M)
Timing	Immediate	Weeks to months
Direct Cost	~\$3,200 per \$1M per month (temporary)	~\$100,000+ bank cost, plus legal & staff time
Administrative Burden	Low	Moderate–High
Flexibility	High (reversible)	Low (fixed once executed)
Long-Term Obligation	None	Yes

Note: Interim financing costs shown are illustrative and exclude legal, issuance, and internal administrative costs.

Staff Assessment

Given:

- The temporary and predictable nature of the cash timing gap
- The certainty of reimbursement
- The City's available LGIP liquidity
- The significantly higher fixed costs and administrative burden associated with interim financing

Staff concludes that using LGIP as a short-term cash management tool is the most cost-effective and operationally efficient option. This approach avoids unnecessary financing costs while maintaining operational continuity during peak construction months.

Recommended Discussion Focus



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Staff recommends committee discussion focus on:

- Options presented
- Make recommendations
- Provide staff support with Council

No long-term financing action is requested at this time.