

# Agenda For Public Meeting

## City Council Meeting

### AGENDA

#### CITY COUNCIL - CITY OF FALLS CITY, OREGON

Meeting Location: 320 N Main Street, Falls City, Oregon 97344

Thursday September 22, 2016 6:00 p.m.

Posted on September 14, 2016

- 1) **Call to Order**  
A) Roll Call: Julee Bishop \_\_\_\_ Dennis Sickles \_\_\_\_ Lori Jean Sickles \_\_\_\_ Jennifer Drill \_\_\_\_  
Tony Meier \_\_\_\_ Gerald Melin \_\_\_\_ Terry Ungricht, Mayor \_\_\_\_
- 2) **Pledge of Allegiance**
- 3) **Motion to Adopt the Entire Agenda**
- 4) **Hearing script for CDBG funding**
- 5) **Public Comments:** Citizens may address the Council or introduce items for Council consideration on any matters. Council may not be able to provide an immediate answer or response, but may direct staff to follow up on any questions raised. Out of respect to the Council and others in attendance, please limit your comment to five (5) minutes. Please state your name and city of residence for the record.
- 6) **New Business:**  
Schedule meeting to approve minutes
- 7) **Correspondence, Comments, and Ex-Officio Reports**  
A. Next regular City Council meeting October 13, 2016 at 7:00 p.m.
- 9) **Adjourn**

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## **AGENDA REPORT**

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**TO:** COUNCIL  
**FROM:** MAYOR UNGRICHT  
**SUBJECT:** COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING  
**DATE:** 09/19/2016

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### **SUMMARY**

The City of Falls City is eligible to apply for Community Development Block Grant funds (CDBG) to the Infrastructure Finance Authority (IFA) for area-wide benefit and limited clientele projects. Council has directed staff to apply for funds on upgrading the wastewater system.

### **BACKGROUND**

The City applied for a CDBG grant in December of 2010 to perform a wastewater master plan, on April 5, 2012 the Council had a meeting with John McGee Engineering to start developing the plan. The plan was approved by DEQ and the Council as a Facility Plan in December 2013 and adopted by Ordinance 535-2014 on March 13, 2014.

The City Council directed staff to investigate ways to implement the facility plan and remove the drain field from under the football field. In the 2010 Census Falls City was certified as 48.1% LMI, this was under the threshold of 51% to qualify for CDBG funding. Council directed staff to apply to IFA and HUD for permission to contract for an income survey to show that the City was above the 51% LMI. Staff was successful in gaining permission to perform a survey on the wastewater users and Council approved an agreement with PSU to perform the survey in May of 2016. The income survey showed Falls City wastewater users at 55.15% LMI and gave the City the opportunity to request to submit for a CDBG grant on the wastewater system.

We received permission from IFA to move forward on an application for CDBG funding for the wastewater system. This meeting is for the Public and Council to have questions answered pertaining to the grant application.

Under the Federal rules for application for CDBG funding the meeting had to be noticed 7 days in advance. On September 14, 2016 staff put up notices for the September 22, 2016 Public Hearing at Falls City High School, Falls City Community Center, Falls City Hall, Frink's General Store, The Boondocks bar and restaurant, and the Falls City Post Office. Copies of the notice and any materials on the proposed CDBG application can be reviewed at City Hall.

### **PREVIOUS COUNCIL ACTION**

Listed above

### **ALTERNATIVES/FINANCIAL IMPLICATIONS**

Ongoing

### **STAFF RECOMMENDATION**

N/A

**EXHIBIT**

- 1) Letter of explanation.
- 2) Application 1 for \$3,344,917.
- 3) Budget for Application 2,

**PROPOSED MOTION**

I move the Falls City Council instruct staff to submit the CDBG funding grant for the wastewater project and give authority to the Mayor to sign the grant application.

## PUBLIC HEARING SCRIPT

### *MAYOR: OPEN HEARING*

This hearing is being held as part of the Community Development Block Grant (CDBG) application process. The City of Falls City is currently applying for approximately \$2.5 million in CDBG funds.

The purpose of the hearing is twofold:

- 1) For the City Council to obtain citizen views and respond to questions and comments about community development and housing needs, especially the needs of low and moderate income persons as well as other needs in the community that might be assisted with a CDBG project.
- 2) And for the City Council to obtain citizen views and respond to questions and comments about the proposed project.
  - a. Approximately \$11.5 million will be available and awarded to Oregon non-metropolitan cities and counties in fiscal year 2016. The maximum grant that a city or county can receive is \$2.5 million.
  - b. The range of activities that may be undertaken with the grant funds include the projects such as:
    - Microenterprise Assistance Public Services,
    - Public Works (i.e. water and wastewater system improvement projects),
    - Community/Public Facilities (i.e. homeless shelter, fire hall, senior center, community center, library, etc.)
    - Community Capacity/Technical Assistance,
    - Emergency Projects, and
    - Housing Rehabilitation
  - c. The entire amount of grant funds applied for will be used for activities that will meet the national objective of primary benefit to low- and moderate-income persons; and
  - d. The proposed activities in the application will not result in displacement or the local government's antidisplacement and relocation plans required under 24 CFR Part 570.488, Part 570.606, and Part 42.

The final signed and approved meeting minutes must record and document that this requirement was met.

### *MAYOR: TAKE COMMENTS AND QUESTIONS FROM PUBLIC*

"Comments and questions"

### *MAYOR: CLOSE HEARING*

*COUNCIL TO MOTION*

Motion on agenda item.

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Minutes must reflect the following as included in discussion (feel free to copy the items above directly into the minutes):

- a. The amount of CDBG funds expected to be made available for the current fiscal year (including the grant and anticipated program income);
- b. The range of activities that may be undertaken with the grant funds;
- c. The estimated amount of grant funds proposed to be used for activities that will meet the national objective of benefit to low- and moderate-income persons; and
- d. The proposed activities likely to result in displacement or the local government's antidisplacement and relocation plans required under 24 CFR Part 570.488, Part 570.606, and Part 42.
- e. The final signed, approved meeting minutes must record/document that items a-d above were addressed during the public meeting.

# Exhibit 1

I have been working on the CDBG funding application, as you know we had to do the income survey to qualify and this has left us without much time to get the application in. These applications usually take months to develop and we have had to try and do it in weeks.

We have run into problems on trying to submit an application under the Federal rules for CDBG funding in this short time frame. I am bringing to the Public and Council two separate applications. The first one is for \$3,344,917.00 for final design and construction, but we have ran into a problem on being "ready to proceed" under the CDBG rules. We have within the budget funds to acquire land, there were three parcels identified in the facility plan, but in order to score high on the ready to proceed we need to have all of the land use permits already granted. This is impossible when we do not exactly know which parcel of land or own the land to be permitted.

So I was advised to apply for a design grant, application 2, for \$300,000 without land purchase or \$550,000 with purchase. I budgeted for the environmental, engineering, and land acquisition, but I was told we can't go for the land acquisition. I have IFA reviewing the rules to see if we can get a wavier to keep the land acquisition in the application. This way we can spend the next year doing the land purchase, engineering, and permitting. Then we can apply for another CDBG grant, when we qualify, for the construction of the project.

So the game plan we are proposing is for Council to grant authority to apply for which ever application that we will have the best chance of winning and permission to execute the chosen application. Once we filed the intake form and was invited by IFA to apply for the CDBG funding we fall under the Federal property acquisition regulations and there is now an estimated 22 million in request for the 11.5 million in funds, so we are not confident under the current interpretation of the rules if application 1 will be successful. I have a problem; IFA is reviewing the rules, in submitting application number 2 if we cannot purchase the land. We will end up with the same problems if the chosen parcel of land does not have a willing seller. We will not be able to fulfill the engineering if we cannot access the land.

So until I hear back on the interpretation of the rules my and the engineers thoughts are that we receive permission for both applications, if we cannot purchase land under application number 2, we submit application 1. Even if we are denied we will have the feedback from the reviewers and will have a better application for next year's funding round. Then if we can we look at a financing package that will allow us to purchase the land we will need to develop for the lagoons, which will make next year's application much stronger.

Exhibit 2

**2016 Community Development Block Grant (CDBG)  
PUBLIC WORKS  
Application Supplement**

**Please submit one original and 2 copies of the complete application and application supplement and three copies of the required attachments, except where noted differently.**

**2016 CDBG Method of Distribution must be read and used in its entirety to complete the application and application supplement**

REQUIRED DUNS NUMBER and CCR REGISTRATION	
Applicant's DUNS Number 039043695	
SAM Registration current	<a href="https://www.sam.gov/portal/public/SAM/">https://www.sam.gov/portal/public/SAM/</a> <b>NOTE:</b> The SAM registration expires annually and must be kept active until the CDBG project is administratively closed.

**Category**

- ( ) Water
- (√) Wastewater

**Project Type**

- ( ) Planning
  - ( ) Final Design
  - ( ) Construction
  - (√) Design and Construction
- Note: This is not design/build

Detailed Project Budget				
Budget Line-item	CDBG Funds	Other IFA Funds	Non-IFA Funds	Total
Land Acquisition	\$250,000	\$0	\$0	\$250,000
Engineering (Final design and construction engineering cannot exceed 20% of the estimated construction plus construction contingency cost)	\$379,832	\$0	\$0	\$379,832
Architectural (Final design and construction architectural services cannot exceed 12% of the estimated construction plus construction contingency cost)	\$0	\$0	\$0	\$0
Construction	\$1,815,168	\$543,782	\$0	\$2,358,950
Construction Contingency (Maximum 10% of the estimated construction cost)	\$0	\$237,395	\$0	\$237,395
Labor Standards Compliance, Environmental Review (Maximum \$15,000 per activity)	\$30,000	\$0	\$0	\$30,000
Grant Administration (10% of requested grant with a maximum of \$25,000)	\$15,000	\$0	\$0	\$15,000
Legal	\$10,000	\$13,740	\$0	\$23,740
Other (Environmental Permitting)	\$0	\$50,000	\$0	\$50,000
Other				
Other				
<b>Totals</b>	<b>\$2,500,000</b>	<b>\$844,917</b>	<b>\$0</b>	<b>\$3,344,917</b>

Source of Non-IFA Funds, Cash, and Other IFA Funds	Amount	Status
		<u>Committed</u> - Provide documentation of funds commitment.
IFA Water/Wastewater Financing Program	\$844,917.00	
<b>Total</b>	<b>\$844,917.00</b>	

**Readiness to Proceed – Refer to Chapters 5 and 7 of the Method of Distribution**  
 NOTE: Any project that does not meet the readiness to proceed criteria will not be considered complete.

*The city is ready to start immediately. The City's adopted facilities plan outlines the highest priority improvements for the city and final design/construction can start immediately upon execution of the award contract and completion of applicable environmental reviews.*

**LIMITS ON APPLICATIONS AND APPLICANT ELIGIBILITY**  
**Refer to Chapter 2 of the Method of Distribution**  
 NOTE: Applicants must meet these requirements or the application will not be accepted by the IFA.

**Applicant is meeting the age and expenditure requirements for all open grants funded by the IFA?**  
 Yes  No  If no, explain:

**Requirements for open ONE YEAR grants are:**

- Any Microenterprise grant that is one year old must be 70% drawn
- Any Microenterprise grant that is two or more years old must be administratively closed

**Requirements for open MULTI YEAR grants are:**

- Any grant that is two years old must be 60% drawn
- Any grant that is three years old must be 100% drawn
- Any grant that is four or more years old must be administratively closed

**Did the applicant submit a 2016 CDBG application to IFA for a different project category?**  
 Yes  No

If yes, identify which category. *n/a*

If yes, the applicant must designate which application is the higher priority. If applicant makes no designation, and only one application can be funded, the IFA will make this determination. *n/a*

**Property Acquisition/ Anti-Displacement and Relocation**  
 (Reference Attachment K)

**Will the project involve the acquisition of real property (including leases of 50 years or more), permanent easements/rights-of-way or temporary construction easements? Yes  No**

**If yes, describe in detail the steps that have been taken to date or will be taken in the future to ensure the acquisition/donation complies with the Uniform Relocation Assistance & Property Acquisition Policies Act & Section 104(d) of the Housing & Community Development Act of 1974. (The handbook containing these requirements can be obtained from the Infrastructure Finance Authority.)**

**Provide copies of all documents relating to the land, permanent or temporary construction easement acquisition efforts that have occurred to date.**

*We have not taken any steps on land purchase to date and we will follow 104(d) of the housing and*

community development act of 1974.

List all properties, permanent easements or temporary construction easements that will need to be or that have been acquired?

*The project will require the acquisition of approximately 20 acres of land for the wastewater treatment plant site. Permanent and temporary construction easements will also be required for the construction of the new force main to the treatment plant site. No land or easement acquisition activities have occurred. Therefore all acquisition activities will be in accordance with the above noted requirements. Potential site is located outside of the Falls City urban growth boundary and is located in the Polk County, Oregon Exclusive Farm Use (EFU) Zoning district. Polk County, Oregon EFU zone lists Utility Facilities necessary for public service as a permitted use subject to review and approval of an Administrative Review Type A procedure. The City would be required to demonstrate that the utility facility is necessary and show that reasonable alternative have been considered and that the facility must be sited in an Exclusive Farm Use Zone due to one or more of the following factors: (a) Technical and engineering feasibility; (b) The proposed facility is locationally dependent. A utility facility is located dependent if it must cross land in one or more areas zoned for exclusive farm use in order to achieve a reasonably direct route or to meet unique geographical needs that cannot be satisfied on other lands; (c) Lack of available urban and nonresource lands; (d) Availability of existing rights of way; (e) Public health and safety; and (f) Other requirements of state and federal agencies. In addition to the provisions of Polk County Zoning Ordinance 136.040(S)(1) to (4), the establishment or extension of a sewer system as defined by OAR 660-0011-0060(1)(f) in an exclusive farm use zone shall be subject to OAR 660.0110.060. Lastly, Oregon State Goal 11: Public Facility and Services would apply. The Polk County Administrative Review process takes approximately 30-45 days and includes notification to owners within 750' of the subject property and special interest groups, ten day comment period and a twelve appeal period. The cost of an Administrative Review Type A application is \$475.00*

Will or has any person, family, partnership, association, corporation, non-profit or organization be relocated from their home, business or farm as result of the project? Yes \_\_\_\_\_ No

If yes, describe in detail the actions that have occurred to date (or will occur) as a result of this project. Provide copies of any notices provided to the displaced person, family, partnership, association, corporation, non-profit or organization.

n/a

If any person, family, partnership, association, corporation, non-profit or organization has already been relocated, was relocation assistance provided? If yes, provide copies of all documentation.

n/a

Will any dwelling unit be demolished or converted from permanent (occupied or vacant occupiable) housing to temporary housing or another use? Yes \_\_\_\_\_ No

If yes, describe in detail.

n/a

If yes, is the dwelling unit a "low and moderate-income dwelling unit"? (A dwelling unit or home with a market rent (including utility costs) that does not exceed the applicable fair market rent for the Section 108 housing program.)

n/a

If yes, were relocation benefits or one-for-one replacement provided under 104(d) of the Housing and Community Development Act? Describe in detail and provide copies of all documentation.

n/a

**NOTE: APPLICANTS APPLYING FOR PLANNING OR FINAL DESIGN ONLY GRANTS CANNOT USE CDBG FUNDS TO ACQUIRE LAND, PERMANENT OR TEMPORARY CONSTRUCTION EASEMENTS OR LEASES**

OF 50 YEARS OR MORE. Please contact the IFA's Regional Coordinator for your area for assistance.

**Ownership/Operation**

Who currently owns the property? Indicate if the applicant is different from the owner.

City of Falls City

Who will own the facility/improvements/property once they are constructed/completed?

City of Falls City

Who will operate and maintain the infrastructure improvements once they are constructed?

City of Falls City

**Environment  
(Reference Attachment R)**

Will the project involve property in the 100-year floodplain, the 500-year floodplain?

Yes \_\_\_ No x

If yes, identify the type of floodplain, describe the situation and provide a map.

Will the project involve property located in a jurisdictional wetland or an area that could be considered a wetland? Yes x No \_\_\_

If yes, identify and describe the situation and provide a map.

The project will include the installation of a new outfall pipeline into the Little Luckiamute River. Construction work will need to occur below the ordinary high water level. This will require DSL and USACE wetland permitting including consultation with NMFS and cultural resource investigations. It is not known at this time if the proposed wastewater treatment plant property contains jurisdictional wetlands. Wetland reconnaissance will be required as part of the project.

Will the project involve building on bare land or altering an existing building? Yes x No \_\_\_

If yes, answer the following questions and provide an explanation/description for each:

- a) Is the project site previously undisturbed ground? The treatment plant site is currently farmed, but otherwise undisturbed. *Potential site is located outside of the Falls City urban growth boundary and is located in the Polk County, Oregon Exclusive Farm Use (EFU) Zoning district. Polk County, Oregon EFU zone lists Utility Facilities necessary for public service as a permitted use subject to review and approval of an Administrative Review Type A procedure*
- b) Is the project site in an established or proposed historic or conservation district? No
- c) Is the project site/building listed in a local cultural resource inventory? No

Does the project involve a structure that is 50 years old or more? Yes \_\_\_ No √

If yes, explain.

n/a

Is there a tank that could or does contain an explosive or flammable substance within the line of sight of the property? Yes \_\_\_ No √

If yes, describe the situation.

To be reviewed during Environmental Review period, but nothing anticipated at this time.

**System Information**

Water System Identification Number (if applicable)

If your project involves a water system, are all service connections to your drinking water system metered? Yes \_\_\_\_\_ No \_\_\_\_\_  
 If no, explain how the required meter(s) will be provided as part of the project.

n/a

**National Objective**

Refer to Chapters 3 and 7 of the Method of Distribution

**WATER/WASTEWATER APPLICANTS MUST COMPLETE THE FOLLOWING:**

Primarily Benefit Low and Moderate-Income (LMI) Persons

Area-wide Benefit\*: Provide Percentage low and moderate-income persons: 55.15 %  
 The improvements will benefit everyone in a geographic area and at least 51% of the population in the area served by the improvements is low and moderate-income

Was the 51% LMI determined by:  
 Census \_\_\_\_\_

State approved Local Survey  Date August 22, 2016

Provide the total population of service area: 437 (estimate per approved income survey)

Provide the number of low and moderate-income persons to be served by the improvements:  
241 (per approved income survey)

**WATER/WASTEWATER PROJECT APPLICANTS MUST ANSWER THE FOLLOWING 4 QUESTIONS:**

Will the project serve an area comprised of over 51% permanent residents (both currently and in the future)?

Yes  No \_\_\_\_\_

Provide percentage: 55.15%

Are the permanent residents comprised of over 51% low and moderate-income persons?

Yes  No \_\_\_\_\_

Provide percentage: 55.15% (per approved income survey)

Will the facility, as determined by flow, serve primarily permanent residential needs (both currently and in the future)? Yes  No \_\_\_\_\_

Provide percentage: 100%

The facility is not needed primarily for capacity building purposes (over 100% growth as determined by population or flow over the 20 year planning period). True  or False \_\_\_\_\_

**Performance Measure Indicators**

**WATER/WASTEWATER PROJECTS QUALIFYING UNDER THE LMI – AREA WIDE NATIONAL OBJECTIVE MUST ANSWER THE FOLLOWING 3 QUESTIONS (answer all that apply)**

Number of households assisted with new access to service or benefit?

168

Number of households assisted with improved access to service or benefit?

168

Where the project is used to meet a quality standard or measurably improved quality, number of households that no longer have access to a substandard facility?

168

**FEDERAL OBJECTIVE/OUTCOME AND PERFORMANCE MEASURES**

Each applicant must address the items listed below: **REFER TO THE SPECIFIC SECTION OF THE 2016 MOD PERTAINING TO THE PROJECT TYPE REQUESTED TO SEE WHICH ITEMS MUST BE ADDRESSED.**

**1. Objectives (Select One)**

- Suitable Living Environment** - This objective relates to activities designed to benefit communities, families, or individuals by addressing their living environments.
- Creating Economic Opportunities** – This objective applies to economic development, commercial revitalization and job creation.

**2. Outcomes (Select One)**

- Availability/Accessibility** – This outcome applies to projects that make services, infrastructure, housing, or shelter available or accessible. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available.
- Sustainability/Promoting Livable or Viable Communities** – This outcome applies to projects where the activities are aimed at improving communities or neighborhoods, helping to make them livable or viable through multiple activities or services that sustain communities or neighborhoods. This can be the removal of elimination of slums or blighted areas.

**3. Performance Measurements**

**During application stage the IFA fully understands that the performance measures and specific indicators will be estimates.**

Each applicant must report on each of the following:

- Amount of money leveraged: federal \_\_\_\_\_, state \_\_\_\_\_, local \_\_\_\_\_ private \_\_\_\_\_
- Number of persons 437, households \_\_\_\_\_ or units \_\_\_\_\_ assisted (Pick only One)
- Number of low and moderate-income persons served by the project 241
- Area benefit activities will need to show the total number of persons served 437 and the percentage of low and moderate income persons served 55.15%
- Number of communities assisted 1
- Does assisted business provide a good or service to meet needs of service area/neighborhood/community (to be determined by community): Yes \_\_\_\_\_ No ✓

**Race/Ethnicity of Persons Benefiting from Project:** Note: the total number of persons served reported above must be the same as the total number of persons reported in this section.

Race:	Total #	Ethnicity: # of Hispanic
White		
Black/African American		
Asian		
American Indian/Alaskan Native		
Native Hawaiian/Other Pacific Islander		
American Indian/Alaskan Native & White		
Asian & White		
Black/African American & White		
American Indian/Alaska Native & Black/African American		
Other Multi-Racial		
<b>Total Number of Persons Benefiting from Project</b>	<b>437</b>	

<b>Total Number of Low- and Moderate-Income Persons Benefiting from Project</b>	<b>241</b>
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**Source of Data:**

<input type="checkbox"/>
<input checked="" type="checkbox"/>
<input type="checkbox"/>

**2010 Census**

Race/Ethnicity: <http://factfinder.census.gov> (note Select advance search, enter "Race" under topic and location under state, county or place; then Choose Table QT-P4)

**Survey, dated:**

*City of Falls City Income Survey, August 22, 2016*

**Other, specify:**

#### FFATA DATA

The Office of Management and Budget (OMB) has adopted the 2006 Federal Funding Accountability and Transparency Act (FFATA) requirements located at 2 CFR Part 170. The state must enter the following information into the Federal Sub-recipient Report System (FSRS) within 30 days after the CDBG grant award for any award in excess of \$25,000.

**Legal Name of City/County receiving the CDBG grant:** City of Falls City

**Legal City/County address, both physical and mailing:** 299 Mill Street, Falls City, OR 97344

**Congressional District for the City/County recipient:** 05

**The Physical Address for the Project Location:**

**Congressional District for project location:** 05

**Award Title [This title must be descriptive of the purpose of the funding action.]:**

**North American Industry Classification System (NAICS) Code [Information regarding the NAICS code can be found at <http://www.naics.com/search.htm> ]:**

**Provide the total compensation and names of the top five executives if the city/county:**

- Receives more than 80% or more of your annual gross revenues from the Federal government (including the funded project); or
- Those Federal revenues are greater than \$25 million annually; or
- The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) of 15(d) of the Securities and Exchange Act or section 6104 of the Internal Revenue Code. To determine if the public has access to the compensation information, go to the U.S. Security and Exchange Commission (SEC) total

compensation filings at <http://www.sec.gov/answers/execomp.htm>

	Name:	Compensation:
1.	n/a	
2.		
3.		
4.		
5.		

**Additional Program Requirements/Project Information**

**List of permits needed and whether they have been obtained or not.**

*No permits have been obtained. At a minimum, the following permits will be required.*

- *NPDES Permit Modification with increased effluent mass loads.*
- *DSL Wetland Fill Permit will be required for the construction of the outfall diffuser.*
- *USACE Wetland Fill Permit will be required for the construction of the outfall diffuser*

*Building permits will be required from Polk County.*

**What is the physical location of the project?**

*City of Falls City, Polk County, Oregon*

**Describe why the project is in the public interest.**

*This project is necessary to ensure the City can continue to provide adequate wastewater services to citizens and ensure the system is compliant with DEQ rules and regulations.*

**WASTEWATER PROJECT APPLICANTS MUST ANSWER THIS QUESTION** - If this is a wastewater project discharging treated effluent into a "water quality limited" stream in which the Department of Environmental Quality (DEQ) has not established the Total Maximum Daily Load (TMDL's), provide documentation that consultation with DEQ has occurred to determine if the project can or should be designed and constructed without established TMDL's. (Reference Attachment Z)

*The proposed project includes discharge of treated effluent to the Little Luckiamute River. The Little Luckiamute River is water quality limited for temperature. However, a temperature TMDL has been approved for the stream. The Little Luckiamute River is not water quality limited for any other parameters.*

**Financial Information**

Refer to Chapter 7 of the Method of Distribution

	Yes	No
<b>Are the applicant's last three audit reports available on line at the Secretary of State's Website? If no, submit as Attachment V.</b>	X	

**Describe and document why the project cannot be completed without the requested grant.**

*In order to continue to meet state regulatory requirements, the City must implement the highest priority improvements identified in their recent Wastewater Facility Plan update (December 2013).*

*As noted in this supplement, City of Falls City has a significant low and moderate income population and does not have the resources necessary to complete this project on its own. The City Council has shown sound financial planning and adoption of moderate wastewater system rate increases to ensure the City can maintain operation and maintenance costs.*

**What other sources of funding are available to carry out the activity?**

*None*

What sources of revenue are being pledged to repay a loan?
n/a
If funding for the project includes a private loan, will the lender subordinate its security interest in the collateral? Yes _____ No _____ N/A <input checked="" type="checkbox"/>
Is other debt serviced or secured by those revenues? Yes _____ No <input checked="" type="checkbox"/>
If yes, is it described in the applicant's audit reports?
If no, please describe: Debt paid off in 2013
Has the applicant ever defaulted on a debt? Yes _____ No <input checked="" type="checkbox"/>
If yes, provide a complete summary of the circumstances related to the default.
Is there pending litigation that could impair the applicant's ability to repay debt? Yes _____ No <input checked="" type="checkbox"/>
How will owners of property that will specifically benefit from the project pay for the cost of the project?
Through rates.
<b>WATER AND WASTEWATER APPLICANTS MUST ANSWER THIS QUESTION:</b> Describe any anticipated changes in the rates in the next five years. The user rates at construction completion must be sufficient to cover operation, maintenance, replacement and debt service expenses.
<i>Rates will be raised to meet costs.</i>

Additional Budget Information
Will CDBG funds be used to pay for existing budgeted staff of the applicant? Yes _____ No <input checked="" type="checkbox"/>
If yes, explain how the CDBG funds will not supplant or substantially reduce the applicant's financial support for other community development activities.
n/a
If engineering expenses (not including geotechnical evaluation, core samples, exploratory well drilling or other extra services) exceed 20% of the construction plus construction contingency costs, explain the reason(s) for the additional expenses.
n/a
If architectural expenses (not including geotechnical evaluation, core samples, exploratory well drilling or other extra services) exceed 12% of the construction plus construction contingency costs explain the reason(s) for the additional expenses.
n/a
Did a certified professional (registered geologist, engineer, etc.) prepare the cost estimates? Yes <input checked="" type="checkbox"/> No _____
Identify name, title, company, phone number and date.
The cost estimate was prepared by Christopher J. Brugato, PE, Vice President, Westech Engineering, Inc. (503.585.2474) in September of 2016.
The following budget restrictions have been met, if applicable:

**Citizen Participation/Involvement**

Was the notice for the public hearing made in accordance with local practice? Yes  No

(Provide affidavit of publication or certification of posting verifying the notice was advertised or posted at least seven (7) days in advance of the time of the hearing, a copy of the public notice and a final signed copy of the hearing meeting minutes which record/document the required information items from #3 a-d of Chapter 6 of the MOD.) (Reference Attachment B)

*See Exhibit B*

Is there a significant number (5% or more) of non-English speaking residents in the community?

Yes  No

- Grant Administration 10% of the requested grant capped at \$25,000: Yes  No  N/A
- Environmental Review and Labor Standards Monitoring capped at \$15,000 each: Yes  No  N/A
- Construction Contingency capped at 10% of the estimated construction costs: Yes  No  N/A

**If yes, how were they notified about the public hearing?**

*See Exhibit B*

**Location where citizens can review information about the applicant's community development program.**

Falls City Hall, 299 Mill Street, Falls City, OR 97344 and City website: fallscityoregon.gov

**Did any organizations that represent low and moderate-income persons ask the applicant for technical assistance in developing project concepts that might be eligible for the Community Development Block Grant Program? Yes \_\_\_\_\_ No   x**

**If yes, describe the assistance that was provided.**

### **Project Administration**

**Describe the anticipated grant administrator's experience in undertaking projects and ensuring their completion within defined timeframes.**

MWVCOG?

### **Applicant Capacity**

**Provide a list of all open CDBG grants received from the Infrastructure Finance Authority. (Reference Attachment J)**

*V16001 Falls City Water Master Plan, \$20,000 + \$60,000 match funds, engineer under contract, contract expiration date is September 22, 2017*

REQUIRED ATTACHMENTS – ALL APPLICANTS

**ALL APPLICANTS**

Use check marks to indicate that the required items are enclosed. THREE SETS OF ATTACHMENTS MUST BE SUBMITTED EXCEPT WHERE NOTED.

Attachment Description  (Please label attachments accordingly)	Planning Projects		Final Design/Engineering Projects		Construction Projects	
	Required	Enclosed	Required	Enclosed	Required	Enclosed
<b>GENERAL</b>						
A Documentation from the appropriate entity (city or county), which indicates that the project is consistent with the acknowledged local comprehensive plan.	X		X		X	COG
B Minutes of the public hearing held on the area's community development needs and the project. (Final signed copy which record/document the required information items from #3 a-d of Chapter 6 of the MOD.) – along with affidavit of publication of the public hearing notice or certification of posting verifying the notice was advertised or posted at least seven (7) days in advance of the time of the hearing, and a copy of the posted public hearing notice.  This documentation must include the percentage of non-English speaking residents within the community derived from the most recent decennial census data. If more than 5.0% of the population is non-English speaking then the public hearing notices are required to be published or posted in those languages and the application must include: a. The affidavit of publication of the non-English public hearing notice; or b. The certification of posting and copy of the posted non-English public hearing notice.	X		X		X	COG
C If the project overlaps municipal boundaries, attach an executed copy of an intergovernmental cooperation agreement, which sets out the duties and obligations of each entity.	X		X		X	CITY
D If the applicant will own the facility and another entity will operate the facility, attach an executed copy of the operating agreement between the parties.	X		X		X	n/a
E Map(s) showing the location of the project, including tax lots/parcels and road widths, etc.	X		X		X	COG
F Map showing the boundaries of the system.	X		X		X	COG
G Documentation that demonstrates how the project can begin within four months after the contract with the state is executed; and completed within the appropriate time frame for the type of project being proposed.	X		X		X	COG
H If the budget includes cash match, attach documentation showing the funds are available and committed (such as loan documents, letters of commitments, bank statements, etc.)	X		X		X	n/a
I If the budget includes in-kind donations for property or buildings, attach documentation showing how the value of the donation was determined (e.g., appraisal).	X		X		X	n/a
J Submit a list of <u>all</u> OPEN Community Development Block Grant awards received from the Infrastructure Finance Authority. The list must include: award date, award amount,	X		X		X	n/a

	project number, and percent of funds currently drawn down.						
K	Copies of documents needed to answer the questions under the "Property Acquisition/Anti-Displacement and Relocation" section of the public works application supplement.	X		X		X	COG
<b>NATIONAL OBJECTIVE</b>							
L	<ul style="list-style-type: none"> <li>PUBLIC WORKS - If the project will meet the National Objective of LMI Area Benefit, attach a map showing the area to be served by the facility (including Township, Section and Range numbers and road names).</li> </ul>	X		X		X	COG
<b>ENGINEERING</b>							
M	<p>If the project is for preliminary engineering/planning: Attach a copy of the scope of work and:</p> <ul style="list-style-type: none"> <li>For a water system master plan, attach documentation that the scope-of-work has been reviewed by the Oregon Department of Human Services – Drinking Water Program.</li> <li>For a wastewater facilities plan, attach documentation that the scope-of-work has been reviewed by the Oregon Department of Environmental Quality.</li> </ul> <p>Provide documentation that regulatory agency comments were incorporated into the scope of work.</p>	X		N/A		N/A	n/a
N	<b>ONLY ONE COPY REQUIRED</b> - The study conducted to determine the feasibility of the facility/improvements or any preliminary architectural/engineering/planning work that has been completed. The documents must be stamped and signed by a professional architect/engineer registered or licensed in Oregon.	N/A		X		X	COG
O	<b>ONLY ONE COPY REQUIRED</b> - If this project is for final design provide a copy of a regulatory agency reviewed and approved Water System Master Plan or Wastewater Facilities Plan. The documents must be stamped and signed by a professional architect/engineer registered or licensed in Oregon. Along with a copy of the regulatory agencies approval.	N/A		X		N/A	n/a
P	<b>ONLY ONE COPY REQUIRED</b> - If this project is for construction provide regulator agency approved plans & specifications for the project. Along with a copy of the regulatory agencies approval. The documents must be stamped and signed by a professional architect/engineer registered or licensed in Oregon.	N/A		N/A		X	COG
Q	A cost estimate prepared by a certified professional (registered geologist, engineer etc.)	X		X		X	COG
<b>ENVIRONMENTAL</b>							
R	Copies of documents needed to answer the questions under "Environment" pertaining to floodplain and wetlands, contained in the application supplement.	X		X		X	COG
S	<b>ONLY ONE COPY REQUIRED</b> - If project is for construction ONLY (no final design), attach a copy of the completed environmental review checklist for this project, prepared in accordance with Chapter 3 of the Grant Management Handbook. Publication of environmental notices should not take place before a funding decision is	N/A		N/A		X	n/a

	made on this application.						
<b>FINANCIAL</b>							
T	A Schedule of Pro Forma Revenues and Expenditures for each of the next five years and any underlying assumptions used. Complete Attachment "T" below.	N/A		X		X	CITY
U	<b>ONLY ONE COPY REQUIRED</b> - The current adopted budget for the entity which will own the improvements.	N/A		X		X	CITY
V	<b>ONLY ONE COPY REQUIRED</b> - The last three audit reports for the entity which will own the improvements.	N/A		X		X	CITY
W	If revenues to repay a loan will come from another entity or are not identified in your current adopted budget, attach evidence that those revenues will be available for repayment of the loan (e.g., intergovernmental agreement with Urban Renewal Agency, ordinance establishing a Local Improvement District, etc.)	N/A		X		X	n/a
X	Copies of any ordinances which establish debt that is supported by the source of repayment for this loan.	N/A		X		X	n/a

**REQUIRED ATTACHMENTS FOR INDIVIDUAL PROJECT TYPES**

<b>WATER/WASTEWATER APPLICATION SUPPLEMENTS - Use check marks to indicate that the required items are enclosed.</b>					
		<b>Planning Grants</b>		<b>Final Design/Engineering and/or Construction Grants</b>	
		<b>Required</b>	<b>Enclosed</b>	<b>Required</b>	<b>Enclosed</b>
Y	<p>One of the following: 1. Notice of Non-Compliance with either the Safe Drinking Water Act or the Clean Water Act issued by the appropriate regulatory agency (Department of Environmental Quality or the DHS Drinking Water Program); 2. Recent letter from the appropriate regulatory agency (Department of Environmental Quality or DHS Drinking Water Program) or their contracted agent stating that the system has a high probability of being notified soon of non-compliance with either the Safe Drinking Water Act or the Clean Water Act; or 3. If you anticipate new requirements in the Safe Drinking Water Act or the Clean Water Act to take effect within the next two years and those new requirements would cause your existing system to be deemed out of compliance, an explanation of the expected new requirements and documentation of the likelihood of adoption.</p> <p>Note: Applicants for projects that are not addressing non-compliance issues need not submit this information.</p>	X		X	COG
Z	<p>If the project is for a wastewater project discharging treated effluent into a "water quality stream", but TMDLs have not yet been established for the stream by the Department of Environmental Quality (DEQ), please attach documentation which indicates that DEQ has determined the project can be constructed without the establishment of TMDLs</p>	N/A		X	n/a
AA	<p>Information on the system's ten largest customers. Complete Attachment AA below.</p>	N/A		X	CITY
AB	<p>Summary of Users, Consumption, and Rates. Complete Attachment AB below.</p>	N/A		X	CITY
AC	<p>Copy of current rate schedule, including rates for System Development Charges (SDCs).</p>	N/A		X	COG
AD	<p>Copy of the most recent resolution or ordinance which adopts the current rate schedule.</p>	N/A		X	COG
AE	<p>Complete and submit the capacity review information, Attachment AE below. <u>This is required for final design and/or construction grants only.</u></p>	N/A		X	CITY

**REQUIRED FOR ALL APPLICATIONS**

**Schedule of Pro Forma Revenues and Expenditures**

Attachment T is provided in a separate excel file

**REQUIRED FOR WATER/WASTEWATER APPLICANTS  
System's Ten Largest Customers**

<b>Customer Name</b>	<b>Annual Consumption (in gallons or cubic feet)</b>	<b>% of total consumption for system</b>	<b>Annual revenue received by the system</b>	<b>% of total annual revenue received by the system</b>
Volkmann-Zinn	262,000	2.17	552.00	.52
Falls City High School	242,000	2.01	3396.00	3.19
Clarence LaRue	239,000	1.98	2760.00	2.60
Ken Beaty	196,000	1.63	552.00	.52
Dorian Mell	196,000	1.63	552.00	.52
John Gilbert	187,000	1.55	552.00	.52
Paul Younk	185,000	1.53	552.00	.52
Doug & Nicki Inman	169,000	1.40	552.00	.52
Falls City Elementary School	162,000	1.34	3396.00	3.19
William Nuttall	157,000	1.30	552.00	.52

**Source and date of the above data.**

Utility billing system (CUSH) usage reports, 09/08/2016

REQUIRED FOR ALL WATER/WASTEWATER APPLICANTS  
 Summary of Users, Consumption, and Rates

User Class	Connections		Equivalent Dwelling Units**		Monthly User Rate***		Consumption (in gallons)					
	Current	Future*	Current	Future*	Current	Future***	Current	Year 1	Year 2	Year 3	Year 4	Year 5
Residential	168	223	184	223	\$46.00	n/a	1378	10797	10525	11131	11070	10966
Commercial	8	8	3	3	\$46.00	n/a	24	713	700	576	623	376
Industrial	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other	8	8	9	9	\$46.00/\$283 <sup>^</sup>	n/a	67	563	373	878	488	715
Totals	184	249	196	243			1469 <sup>^^</sup>	12073 <sup>^^^</sup>	11598	12585	12181	12057

<sup>^</sup> Schools charged \$283.00, <sup>^^</sup> August 2016, <sup>^^^</sup> years are 10-11, 11-12, 13-14, 14-15, 15-16

\* 20-year project life

\*\* For water systems, 1 EDU = 7,500 gallons of consumption per month for a residential user

\*\*\* For water systems, use a rate for 7,500 gallons of consumption per month for a residential user

\*\*\*\* Future user rate at construction completion. The rate needs to include operation, maintenance, long-term system replacement, prior debt, and debt associated with this project

Number of residents served by the system 437  
 Number of permanent residents served by the system. 437  
 "Permanent" means more than six months.

**REQUIRED FOR ALL WATER/WASTEWATER APPLICANTS**

USE	Current		Future	
	EDU's	Flow	EDU's	Flow
Residential Permanent	168	n/a	233	n/a
Commercial & Business	8	n/a	8	n/a
Industrial	n/a	n/a	n/a	n/a
Other	8	n/a	12	n/a
Total	184	56,500	243	100,000
Percent Residential	89%		96%	%

EDU – Equivalent Dwelling Unit (EDU)

These numbers can be found in the water system master plan or wastewater facilities plan.

Capacity Building - Total Current (EDU's x 2)      Is it less than the Total Future EDU's?      Yes x    oN  
 Capacity Building - Total Current (Flow x 2)      Is it less than the Total Future Flow?      Yes    oN x  
 Percent Residential - (Residential/Total) x 100%      Is the residential component less than 51%?      Yes    oN x

	Population at date of income qualification (2000 census or <u>other approved survey</u> )	Current Population Estimate	Future Population Estimate
Total Persons	947/ <u>437</u> *	950/ <u>437</u>	1,311/ <u>555</u>

\*first numbers using census figures for whole City, underlined using 2016 income survey.

After completing the tables above the project will be eligible for funding if it meets the following four criteria:

- The project must serve an area that is comprised of over 51% permanent residents (both currently and in the future);
- The permanent residents must be comprised of over 51% low and moderate-income persons;
- The facility must serve primarily permanent residential needs as determined by flow (both currently and in the future); and
- The facility is not needed primarily for capacity building purposes (Over 100% growth as determined by population or flow over the 20 year planning period).

Exhibit 3

**2016 Community Development Block Grant (CDBG)  
PUBLIC WORKS  
Application Supplement**

**❑ Please submit one original and 2 copies of the complete application and application supplement and three copies of the required attachments, except where noted differently.**

**❑ 2016 CDBG Method of Distribution must be read and used in its entirety to complete the application and application supplement**

REQUIRED DUNS NUMBER and CCR REGISTRATION	
Applicant's DUNS Number 039043695	
SAM Registration current	<a href="https://www.sam.gov/portal/public/SAM/">https://www.sam.gov/portal/public/SAM/</a> <b>NOTE:</b> The SAM registration expires annually and must be kept active until the CDBG project is administratively closed.

**Category**

- ( ) Water
- (√) Wastewater

**Project Type**

- ( ) Planning
- ( x ) Final Design
- ( ) Construction
- ( ) Design and Construction
- Note: This is not design/build

Detailed Project Budget				
Budget Line-item	CDBG Funds	Other IFA Funds	Non-IFA Funds	Total
Land Acquisition	\$0	\$0	\$0	\$0
Engineering (Final design and construction engineering cannot exceed 20% of the estimated construction plus construction contingency cost)	\$250,000	\$0	\$0	\$250,000
Architectural (Final design and construction architectural services cannot exceed 12% of the estimated construction plus construction contingency cost)	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0
Construction Contingency (Maximum 10% of the estimated construction cost)	\$0	\$0	\$0	\$0
Labor Standards Compliance, Environmental Review (Maximum \$15,000 per activity)	\$15,000	\$0	\$0	\$15,000
Grant Administration (10% of requested grant with a maximum of \$25,000)	\$10,000	\$0	\$0	\$10,000
Legal	\$5,000	\$0	\$0	\$5,000
Other (Environmental Permitting)	\$20,000	\$0	\$0	\$20,000
Other				
Other				
<b>Totals</b>	<b>\$300,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$300,000</b>