

**Beverly Beach Water District**

Board of Commissioners Meeting - Agenda

November 20, 2024, at 6:00 p.m.

Beverly Beach Water District Office

1. Call to Order
2. Review/Approval of Minutes
  - a. Minutes from October 16, 2024
3. Financial/Treasurers Report
  - a. Financials and Aging report
  - b. Approval of bills
    - i. Northwest Natural Water – October 2024, Inv. 4600 (\$5,194.73)
  - c. Add Kristen Milligan as an account signatory
  - d. Discussion RE accounts & loan
  - e. Discussion RE Audit
    - i. Letter from Grimstad
4. Water Plant/Distribution System
  - a. Letter to customers to turn off outside water during winter months – send in December billings?
5. Old Business
  - a. ARPA Grant (\$38,100) – received check and deposited in new account
  - b. Lead Services Survey – need to look up date of house construction – only need to review 20% of services from houses constructed before 1975.
6. New Business
7. Adjourn

NW Natural Water Services, LLC  
 PO Box 699  
 Newberg, OR 97132 US  
 +15035548333  
 devin@hilandwater.com

# Invoice



**BILL TO**

Beverly Beach Water District  
 PO Box 576  
 Newport, OR 97365

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
4600	10/31/2024	\$5,194.73	11/30/2024	Net 30	

DATE	DESCRIPTION	QTY	RATE	AMOUNT
	Operations base fee	1	4,950.00	4,950.00
				Subtotal: 4,950.00
	Reimbursable Expenses:			
09/30/2024	USA Blue Book - #5 pump tube.			139.52
10/31/2024	10/25/2024 Ace Hardware - Heat tape and supplies for wrapping intake pipes.			82.96
				Subtotal: 222.48
	Markup - 10%	0.10	222.48	22.25

BALANCE DUE

**\$5,194.73**

# Beverly Beach Water District

## A/R Aging Summary

As of November 19, 2024

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
11355 NE Coos St						\$0.00
Henderson, Jennifer	73.50					\$73.50
<b>Total 11355 NE Coos St</b>	<b>73.50</b>					<b>\$73.50</b>
11408 NE Coos		-73.50				\$ -73.50
11416 NE Avery St. Marlene Jaspersen		-73.50				\$ -73.50
11458 NE Avery						\$0.00
Safety Electric Inc.	136.00					\$136.00
<b>Total 11458 NE Avery</b>	<b>136.00</b>					<b>\$136.00</b>
11469 NE Beverly Dr.					-66.16	\$ -66.16
11481 NE Coos St.						\$0.00
Linda & Diarmid John Flatley III		-73.50				\$ -73.50
<b>Total 11481 NE Coos St.</b>		<b>-73.50</b>				<b>\$ -73.50</b>
11511 NE Avery St						\$0.00
Schakohl, Tracy & Beverly	136.00					\$136.00
<b>Total 11511 NE Avery St</b>	<b>136.00</b>					<b>\$136.00</b>
11528 NE Avery St.		0.00				\$0.00
11528 NE Benton St.						\$0.00
Jespersen, Mike & Heather	73.50	22.04				\$95.54
<b>Total 11528 NE Benton St.</b>	<b>73.50</b>	<b>22.04</b>				<b>\$95.54</b>
11570 NE Beverly Dr						\$0.00
See, David	73.50					\$73.50
<b>Total 11570 NE Beverly Dr</b>	<b>73.50</b>					<b>\$73.50</b>
11577 NE Benton St.						\$0.00
Oxsen, Leah		-75.97			75.97	\$0.00
<b>Total 11577 NE Benton St.</b>		<b>-75.97</b>			<b>75.97</b>	<b>\$0.00</b>
11580 NE Beverly Dr						\$0.00
Goudy, Tracy	73.50	73.50	73.50		64.50	\$285.00
<b>Total 11580 NE Beverly Dr</b>	<b>73.50</b>	<b>73.50</b>	<b>73.50</b>		<b>64.50</b>	<b>\$285.00</b>
11597 NE Benton St.						\$0.00
Russell, Jeffrey & Linda					-73.50	\$ -73.50
<b>Total 11597 NE Benton St.</b>					<b>-73.50</b>	<b>\$ -73.50</b>
116 NE 115th						\$0.00
Roberts, Allan	136.00	171.00				\$307.00
<b>Total 116 NE 115th</b>	<b>136.00</b>	<b>171.00</b>				<b>\$307.00</b>
11608 NE Avery St.		-75.00	-65.10			\$ -140.10
11625 NE Avery St.						\$0.00
Jackson, Dan & Fae	136.00					\$136.00
<b>Total 11625 NE Avery St.</b>	<b>136.00</b>					<b>\$136.00</b>
11645 NE Avery St.					-147.00	\$ -147.00
11656 NE Beverly Dr.						\$0.00
Hassell, James	73.50	73.50				\$147.00
<b>Total 11656 NE Beverly Dr.</b>	<b>73.50</b>	<b>73.50</b>				<b>\$147.00</b>

# Beverly Beach Water District

## A/R Aging Summary

As of November 19, 2024

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
11685 NE Avery St.						\$0.00
Geist, Wendy	73.50					\$73.50
<b>Total 11685 NE Avery St.</b>	<b>73.50</b>					<b>\$73.50</b>
11686 NE Beverly Dr.						\$0.00
Fork, Keith & Pamela			-294.00			\$ -294.00
<b>Total 11686 NE Beverly Dr.</b>			<b>-294.00</b>			<b>\$ -294.00</b>
11720 NE Beverly Dr.						\$0.00
Johnson, Dean		-43.76				\$ -43.76
<b>Total 11720 NE Beverly Dr.</b>		<b>-43.76</b>				<b>\$ -43.76</b>
11735 NE Beverly Dr.		-73.50				\$ -73.50
11755 NE Avery St						\$0.00
Tauber, Lou & Jae	73.50	73.50				\$147.00
<b>Total 11755 NE Avery St</b>	<b>73.50</b>	<b>73.50</b>				<b>\$147.00</b>
11806 NE Beverly Dr.						\$0.00
McMillan Ellen	73.50					\$73.50
<b>Total 11806 NE Beverly Dr.</b>	<b>73.50</b>					<b>\$73.50</b>
11922 NE Beverly Ln.						\$0.00
Worden, Kate					1,187.74	\$1,187.74
<b>Total 11922 NE Beverly Ln.</b>					<b>1,187.74</b>	<b>\$1,187.74</b>
11964 NE Beverly Ln						\$0.00
Schultze, Louis	73.50					\$73.50
<b>Total 11964 NE Beverly Ln</b>	<b>73.50</b>					<b>\$73.50</b>
11988 NE Beverly Dr.						\$0.00
Ekmanis, Iris		-73.50			-2.47	\$ -75.97
<b>Total 11988 NE Beverly Dr.</b>		<b>-73.50</b>			<b>-2.47</b>	<b>\$ -75.97</b>
12164 NE Coos St.						\$0.00
Buck, Chris and Skye	73.50	77.17	84.52	119.53		\$354.72
<b>Total 12164 NE Coos St.</b>	<b>73.50</b>	<b>77.17</b>	<b>84.52</b>	<b>119.53</b>		<b>\$354.72</b>
12169 NE Benton St.						\$0.00
Hofeld, Lorne & Shannon		-10.00				\$ -10.00
<b>Total 12169 NE Benton St.</b>		<b>-10.00</b>				<b>\$ -10.00</b>
12287 NE Coos St. Your House LLC	136.00	25.31				\$161.31
12290 NE Coos St.						\$0.00
Sanders, Ben & Ruth			75.97			\$75.97
<b>Total 12290 NE Coos St.</b>			<b>75.97</b>			<b>\$75.97</b>
141 NE 122nd St.						\$0.00
Dunton, Lynn & Donna		-73.50				\$ -73.50
<b>Total 141 NE 122nd St.</b>		<b>-73.50</b>				<b>\$ -73.50</b>
162 NE 113th St						\$0.00
Durrett, Suzan	68.00					\$68.00
<b>Total 162 NE 113th St</b>	<b>68.00</b>					<b>\$68.00</b>
240 NE 115th St.						\$0.00

# Beverly Beach Water District

## A/R Aging Summary

As of November 19, 2024

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
McMinn, Justin	140.30					\$140.30
<b>Total 240 NE 115th St.</b>	<b>140.30</b>					<b>\$140.30</b>
Accounts Receivable					-763.54	\$ -763.54
Adjusting Entry					1,442.54	\$1,442.54
Lincoln County Treasurer - Property Tax					2,887.00	\$2,887.00
<b>TOTAL</b>	<b>\$1,623.30</b>	<b>\$ -129.71</b>	<b>\$ -125.11</b>	<b>\$119.53</b>	<b>\$4,605.08</b>	<b>\$6,093.09</b>

# Beverly Beach Water District

## Profit and Loss

July - October, 2024

	TOTAL
Income	
1-0401 Water Sales	40,991.38
1-0402 Water Sales-late fee	51.43
1-0410 Interest Income	
1-0412 Oregon Coast Bank - SDC	2.45
1-0414 Oregon Coast Bank - Dist. Fund	334.68
1-0416 Oregon Coast Bank- Gen'l Fund	974.51
<b>Total 1-0410 Interest Income</b>	<b>1,311.64</b>
5009 Returned Check Charges	70.00
5010 Processing Fee - credit card	79.60
<b>Total Income</b>	<b>\$42,504.05</b>
GROSS PROFIT	<b>\$42,504.05</b>
Expenses	
1-0700 Maintenance/Repair/Improvement	
0700.1 Water Plant Maint/Improvement	12,667.75
0700.11 Customer maintenance/repairs	4,918.04
0700.20 Tools/Equipment	94.99
0700.4 Tank maintenance/repair	2,751.60
<b>Total 1-0700 Maintenance/Repair/Improvement</b>	<b>20,432.38</b>
1-0701 Plant Contractor-Hiland Water	24,250.00
1-0705 Office Expense	
1-0706 Licenses & fees	567.41
1-0707 Membership fees	577.04
1-0709 US Postmaster	256.00
1-0711 Office supplies	126.10
1-0716 Streamline (Web Page)	1,080.00
<b>Total 1-0705 Office Expense</b>	<b>2,606.55</b>
1-0750 Insurance	
1-0753 Bonding- Pres/Treas/Clerk	180.00
<b>Total 1-0750 Insurance</b>	<b>180.00</b>
1-0760 Utilities	
1-0761 Electric(office)	190.29
1-0762 Telephone	1,318.66
1-0763 Electric (plant)	1,161.65
1-0764 Propane	203.02
<b>Total 1-0760 Utilities</b>	<b>2,873.62</b>
1-0770 Accounting	
1-0773 Accounting	3,195.00
<b>Total 1-0770 Accounting</b>	<b>3,195.00</b>

# Beverly Beach Water District

## Profit and Loss

July - October, 2024

	TOTAL
1-0785 Bank Charges	
1-0786 NSF/ACH Returned Check	0.00
1-0787 Other Charges	115.00
1-0789 Bank ACH Fee	75.00
1-0790 Credit Card Fees	174.04
<b>Total 1-0785 Bank Charges</b>	<b>364.04</b>
1-0795 Chemical & Testing	
1-0797 Testing	836.00
<b>Total 1-0795 Chemical &amp; Testing</b>	<b>836.00</b>
<b>Total Expenses</b>	<b>\$54,737.59</b>
<b>NET OPERATING INCOME</b>	<b>\$ -12,233.54</b>
Other Income	
1-0450 Property Taxes	1,147.79
<b>Total Other Income</b>	<b>\$1,147.79</b>
<b>NET OTHER INCOME</b>	<b>\$1,147.79</b>
<b>NET INCOME</b>	<b>\$ -11,085.75</b>

# Beverly Beach Water District

## Profit and Loss

October 2024

	TOTAL
Income	
1-0401 Water Sales	10,263.47
1-0402 Water Sales-late fee	7.34
1-0410 Interest Income	
1-0416 Oregon Coast Bank- Gen'l Fund	309.36
<b>Total 1-0410 Interest Income</b>	<b>309.36</b>
5009 Returned Check Charges	35.00
5010 Processing Fee - credit card	24.06
<b>Total Income</b>	<b>\$10,639.23</b>
GROSS PROFIT	<b>\$10,639.23</b>
Expenses	
1-0700 Maintenance/Repair/Improvement	
0700.1 Water Plant Maint/Improvement	8,179.22
0700.4 Tank maintenance/repair	2,751.60
<b>Total 1-0700 Maintenance/Repair/Improvement</b>	<b>10,930.82</b>
1-0701 Plant Contractor-Hiland Water	4,950.00
1-0705 Office Expense	
1-0707 Membership fees	69.00
1-0709 US Postmaster	256.00
1-0711 Office supplies	98.90
<b>Total 1-0705 Office Expense</b>	<b>423.90</b>
1-0750 Insurance	
1-0753 Bonding- Pres/Treas/Clerk	0.00
<b>Total 1-0750 Insurance</b>	<b>0.00</b>
1-0760 Utilities	
1-0761 Electric(office)	41.29
1-0762 Telephone	498.61
1-0763 Electric (plant)	178.54
<b>Total 1-0760 Utilities</b>	<b>718.44</b>
1-0770 Accounting	
1-0773 Accounting	675.00
<b>Total 1-0770 Accounting</b>	<b>675.00</b>
1-0785 Bank Charges	
1-0786 NSF/ACH Returned Check	0.00
1-0789 Bank ACH Fee	25.00
1-0790 Credit Card Fees	43.46
<b>Total 1-0785 Bank Charges</b>	<b>68.46</b>



# Beverly Beach Water District

## Profit and Loss

October 2024

	TOTAL
1-0795 Chemical & Testing	
1-0797 Testing	126.00
<b>Total 1-0795 Chemical &amp; Testing</b>	<b>126.00</b>
<b>Total Expenses</b>	<b>\$17,892.62</b>
NET OPERATING INCOME	<b>\$ -7,253.39</b>
Other Income	
1-0450 Property Taxes	121.64
<b>Total Other Income</b>	<b>\$121.64</b>
NET OTHER INCOME	<b>\$121.64</b>
NET INCOME	<b>\$ -7,131.75</b>

**753 - WTR-BEVERLY BEACH WATER - 753  
DISTRIBUTION BATCH 38**

**LINCOLN COUNTY TREASURER - DISTRICT TURNOVER REPORT TOTALS**

YEAR	TAX PAID	INT PAID	JUD INT	DISCOUNT	REF/OVER	REF INT	CREDIT	DIST AMOUNT	TIER 1	TIER 2	NET DIST
2017	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.02
2018	0.30	0.18	0.09	(0.20)	0.00	0.00	0.00	0.57	0.06	0.00	0.51
2019	1.22	0.75	0.23	(0.20)	0.00	0.09	0.00	2.11	0.24	0.00	1.87
2020	3.39	1.91	0.20	(0.20)	0.00	0.14	0.00	5.36	0.62	0.00	4.74
2021	12.71	5.25	0.19	(0.19)	0.00	0.12	0.00	18.03	1.70	0.00	16.33
2022	19.02	5.92	0.11	(0.01)	4.08	0.06	0.00	29.07	1.92	0.00	27.15
2023	66.46	7.17	0.00	(0.03)	0.91	0.02	0.06	74.58	2.33	0.00	72.25
2024	8,360.53	0.00	0.00	254.08	9.11	0.00	0.03	8,369.67	0.00	0.00	8,369.67
<b>TOTAL</b>	<b>8,463.64</b>	<b>21.19</b>	<b>0.82</b>	<b>253.25</b>	<b>14.10</b>	<b>0.43</b>	<b>0.09</b>	<b>8,499.41</b>	<b>6.87</b>	<b>0.00</b>	<b>8,492.54</b>

COUNTY TREASURER  
225 W Olive Rm 206  
Newport, OR 97365  
(541) 265-4142



November 5, 2024

Beverly Beach Water District  
PO Box 576  
Newport, OR 97365

RECEIPT OF TAXES - PERIOD ENDING ----- October 31, 2024

Received of Jayne Welch, COUNTY TREASURER

The Sum of..... 8,500.73

Beverly Beach Water District  
861

TAX SEGREGATION	8,492.54
BANK INTEREST	8.19
HOUSING AUTHORITY	0.00
Heavy Equipment Rental Tax	0.00

Signature \_\_\_\_\_  
District Treasurer

PLEASE RETURN A SIGNED COPY OF THIS RECEIPT

Fax 541-265-5466 or [treasurerinfo@co.lincoln.or.us](mailto:treasurerinfo@co.lincoln.or.us)

COUNTY TREASURER  
225 W Olive Rm 206  
Newport, OR 97365  
(541) 265-4142



Week Ending 11/8/24

Beverly Beach Water District  
PO Box 576  
Newport, OR 97365

RECEIPT OF TAXES -----

Week Ending 11/8/24

Received of Jayne Welch, COUNTY TREASURER

The Sum of.....

9,652.78

Beverly Beach Water District  
861

CURRENT YEAR ONLY

9,652.78

Signature \_\_\_\_\_  
District Treasurer

PLEASE RETURN A SIGNED COPY OF THIS RECEIPT

Fax 541-265-5466 or [treasurerinfo@co.lincoln.or.us](mailto:treasurerinfo@co.lincoln.or.us)

COUNTY TREASURER  
225 W Olive Rm 206  
Newport, OR 97365  
(541) 265-4142



Week Ending 11/15/24

Beverly Beach Water District  
PO Box 576  
Newport, OR 97365

RECEIPT OF TAXES -----

Week Ending 11/15/24

Received of Jayne Welch, COUNTY TREASURER

The Sum of.....

21,730.27

Beverly Beach Water District  
861

CURRENT YEAR ONLY

21,730.27

Signature \_\_\_\_\_  
District Treasurer

PLEASE RETURN A SIGNED COPY OF THIS RECEIPT

Fax 541-265-5466 or [treasurerinfo@co.lincoln.or.us](mailto:treasurerinfo@co.lincoln.or.us)

**Summary: Beverly Beach Water District Accounts**

DRAFT v. 11.19.2024

**Primary Account—GENERAL ACCOUNT**

<b>Bank Name</b>	<b>Account Name/Type</b>	<b>Account # (last 2 digits)</b>	<b>Purpose</b>	<b>Restrictions (to be filled-out)</b>
Oregon Coast Bank	Premier Interest Checking	*****19	<b>General Account:</b> Customer deposits; payments for general operations	
Oregon Coast Bank	Money Market	*****99	SDC (System Development) Fund  Receives taxes from permanent tax rate	
Oregon Coast Bank	Money Market	*****28	District Fund <i>(more detail needed)</i>	
Oregon Coast Bank	Money Market	*****53	Bond <i>(more detail needed)</i>	
Oregon Coast Bank	Community Rewards Checking	*****25	Lincoln County ARPA Grant	Must be used for funded purposes ( <a href="#">URL here for the grant proposal and contract</a> )

**USDA Reserve Account**

<b>Bank Name</b>	<b>Account Name/Type</b>	<b>Account # (last 2 digits)</b>	<b>Purpose</b>	<b>Restrictions</b>
Oregon Coast Bank	Money Market	*****29	for repayment of USDA Rural Development Loans  Receives taxes from permanent tax rate ( <i>to confirm</i> )  Receives funds from bond	USDA Debt Service Reserve Fund, Restricted  Requires \$15,818 minimum balance in account (per USDA requirements).

**From:** Marina Carr <bbwd.office@gmail.com>  
**Sent:** Tuesday, November 19, 2024 3:47 PM  
**To:** K M  
**Cc:** tegross144@gmail.com; Leon Nelson; Leo Newberg; kdholloway1966@yahoo.com  
**Subject:** Re: BBWD accounts summary: Need your input to complete  
**Attachments:** 11-05-24 Period Ending Oct 21-2024.pdf; 11-08-24 Week Ending.pdf; 11-15-24 Week Ending 11-15-24.pdf; Aging as of 11-19-24.pdf

Hello,

Here's an aging report. The number looks high because of the adjusting entry from CPA. I need to talk to Signe about this. The actual balance for the aging report is \$2,600. I'm also attaching tax reports received from Lincoln County Taxes. We received \$9,652.78, \$8,500.73 and \$21,730.27 in November. See attached.

On Tue, Nov 19, 2024 at 12:32 PM Marina Carr <[bbwd.office@gmail.com](mailto:bbwd.office@gmail.com)> wrote:

Hi Kristen,

1) Account number ending 7053 is the account we received/posted the Taxes from Lincoln County Treasury (property taxes & other), and paid (ACH) bonds. Bonds are automatically withdrawn on November 1st each year. Attached is a November transaction. We received \$9,652.78 and \$8,500.73 from Lincoln County Treasury (Taxes) which I did not post to Quickbooks yet. Also, the \$36,459 (Bond#2) and \$15,818 (Bond#1) withdrawn on 11/1/24 are to pay for Principal and interest have not been recorded in Quickbooks. I'm attaching a bond amortization schedule for your records. The principal amounts had been recorded incorrectly up to 2023 before I took over. I don't want to correct it yet. I need to talk to Grimstad to see if it won't affect the Journal Entry for 2023-2024 from them.

2) Account number ending 2229 is required by USDA to set up an individual account (Restricted). Any details on other accounts, maybe Tim can clarify them for you. Let me know if any more info is needed from me.

Thanks,  
Marina

On Tue, Nov 19, 2024 at 9:58 AM K M <[milligankristen@gmail.com](mailto:milligankristen@gmail.com)> wrote:

Hi All,

Attached: Draft summary of BBWD accounts. I pieced this summary together based on past bank statements and my general understanding thus far.

There are gaps in my knowledge about BBWD district accounts. I flagged some uncertainties in the red font on the summary. We can review and complete it at the next Board meeting. If we run out of time at the next meeting, I can work directly with Tim and Marina to complete the summary document.

Tim: THANKS for setting up the ARPA account and passing along the recommendation from Oregon Coast Bank for different account types.

-Kristen

On Thu, Nov 14, 2024 at 8:23 AM <[tegross144@gmail.com](mailto:tegross144@gmail.com)> wrote:

Hello all,

I received the check from Lincoln County for the ARPA grant and started a new account at Oregon Coast Bank for those funds. The current signers on the account are Leon and Kendra so I need you to either stop at the bank and sign the authorized signer's sheet or Sarah can email you the form and you can sign, scan, and return to her. I have included a couple of attachments that she sent to me and the body of her email below.

*Please see the attached New Community Rewards Checking Account Agreement. Could you please send me the most current By-laws and Meeting Minutes that mention opening the new account at Oregon Coast Bank for the grant you received. On another note, I looked at the different account types that BBWD has, and it looks like there is one operating checking account that I would like to change to the NEW Community Rewards Checking and 4 Flagship Money Markets that we could move to the NEW Community Rewards Money Market. I have attached the Maritime Money Market Tiered rate sheet as well.*

Kristen, please take a look at Sara's email, add this account for the grant to your list, and hopefully we can discuss the accounts on Wednesday at our meeting. We may choose to change the account types per Sarah's recommendations above. Thanks all!

Tim Gross

541-961-7489

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**From:** K M <[milligankristen@gmail.com](mailto:milligankristen@gmail.com)>  
**Sent:** Wednesday, November 13, 2024 10:51 PM  
**To:** Tim <[tegross144@gmail.com](mailto:tegross144@gmail.com)>  
**Subject:** BBWD accounts summary: Need your input to complete

Hi Tim,



Based on some past account statements in BBWD meeting information, I created a short summary of BBWD accounts--- titles, purpose and restrictions. I need your help to fill in some blanks related to the money market accounts. It's attached.

With regards to setting up a separate account for capital improvements: Do we have any flexibility to use one of the existing money market accounts in the primary operating account? We could ask the bank to add a title along the lines of "Operations: Capital Projects". And, internally to BBWD, we would have a list of known, necessary projects and their estimated costs and timelines. FYI--- Contacting SDAO is on my list, but before I reach out to them, I wanted to see if there's something possible within our existing account structures.

-Kristen

# Annual Amortization Factor & Amortization Schedule Calculator

## Beverly Beach Water District - Loan 91-07

\$ 650,000.00	<b>Loan Amount</b>	**Disclaimer - Please note that the breakdown of principal and interest payments shown are an estimate only and don't account for leap years. Actual amounts are dependent upon the actual date of application of payment. Interest accrues daily from one payment to the next.		
3.750%	<b>Interest Rate (entered as a percentage i.e. 3.625%)</b>			
30	<b>Term</b>			
0	<b># of Years of Principal Deferral (Select from drop-down)</b>			
30	<b>Amortization Period</b>			
1	<b>Payments per Year</b>			
56.09	<b>Amortization Factor</b>			
\$ 36,459.00	<b>Payment</b>			
11/1/2011	<b>Date of Loan Closing</b>	<b>Balance</b>		
<b>Payment</b>	<b>Interest</b>	<b>Principal</b>	\$	650,000.00
11/1/2012	\$ 24,441.78	\$ 12,017.22	\$	637,982.78
11/1/2013	\$ 23,924.35	\$ 12,534.65	\$	625,448.14
11/1/2014	\$ 23,454.31	\$ 13,004.69	\$	612,443.44
11/1/2015	\$ 22,966.63	\$ 13,492.37	\$	598,951.07
11/1/2016	\$ 22,522.20	\$ 13,936.80	\$	585,014.27
11/1/2017	\$ 21,938.04	\$ 14,520.96	\$	570,493.31
11/1/2018	\$ 21,393.50	\$ 15,065.50	\$	555,427.80
11/1/2019	\$ 20,828.54	\$ 15,630.46	\$	539,797.35
11/1/2020	\$ 20,297.86	\$ 16,161.14	\$	523,636.21
11/1/2021	\$ 19,636.36	\$ 16,822.64	\$	506,813.56
11/1/2022	\$ 19,005.51	\$ 17,453.49	\$	489,360.07
11/1/2023	\$ 18,351.00	\$ 18,108.00	\$	471,252.08
11/1/2024	\$ 17,720.37	\$ 18,738.63	\$	452,513.44
11/1/2025	\$ 16,969.25	\$ 19,489.75	\$	433,023.70
11/1/2026	\$ 16,238.39	\$ 20,220.61	\$	412,803.09
11/1/2027	\$ 15,480.12	\$ 20,978.88	\$	391,824.20
11/1/2028	\$ 14,733.66	\$ 21,725.34	\$	370,098.87
11/1/2029	\$ 13,878.71	\$ 22,580.29	\$	347,518.57
11/1/2030	\$ 13,031.95	\$ 23,427.05	\$	324,091.52
11/1/2031	\$ 12,153.43	\$ 24,305.57	\$	299,785.95
11/1/2032	\$ 11,272.77	\$ 25,186.23	\$	274,599.73
11/1/2033	\$ 10,297.49	\$ 26,161.51	\$	248,438.22
11/1/2034	\$ 9,316.43	\$ 27,142.57	\$	221,295.65
11/1/2035	\$ 8,298.59	\$ 28,160.41	\$	193,135.24
11/1/2036	\$ 7,262.41	\$ 29,196.59	\$	163,938.65
11/1/2037	\$ 6,147.70	\$ 30,311.30	\$	133,627.35
11/1/2038	\$ 5,011.03	\$ 31,447.97	\$	102,179.37
11/1/2039	\$ 3,831.73	\$ 32,627.27	\$	69,552.10
11/1/2040	\$ 2,615.35	\$ 33,843.65	\$	35,708.45
11/1/2041	\$ 1,339.07	\$ 35,119.93	\$	588.52
11/1/2042	\$ 22.07	\$ 36,436.93	\$	(35,848.41)
11/1/2043	\$ -	\$ -	\$	-
11/1/2044	\$ -	\$ -	\$	-

# Annual Amortization Factor & Amortization Schedule Calculator

## Beverly Beach Water District - Loan 91-09

\$ 282,000.00	<b>Loan Amount</b>	**Disclaimer - Please note that the breakdown of principal and interest payments shown are an estimate only and don't account for leap years. Actual amounts are dependent upon the actual date of application of payment. Interest accrues daily from one payment to the next.		
3.750%	<b>Interest Rate (entered as a percentage i.e. 3.625%)</b>			
30	<b>Term</b>			
0	<b># of Years of Principal Deferral (Select from drop-down)</b>			
30	<b>Amortization Period</b>			
1	<b>Payments per Year</b>			
56.09	<b>Amortization Factor</b>			
\$ 15,818.00	<b>Payment</b>			
11/1/2011	<b>Date of Loan Closing</b>	<b>Balance</b>		
<b>Payment</b>	<b>Interest</b>	<b>Principal</b>		
11/1/2012	\$ 10,603.97	\$ 5,214.03	\$ 282,000.00	
11/1/2013	\$ 10,379.47	\$ 5,438.53	\$ 276,785.97	
11/1/2014	\$ 10,175.53	\$ 5,642.47	\$ 271,347.45	
11/1/2015	\$ 9,963.94	\$ 5,854.06	\$ 265,704.98	
11/1/2016	\$ 9,771.11	\$ 6,046.89	\$ 259,850.91	
11/1/2017	\$ 9,517.65	\$ 6,300.35	\$ 253,804.02	
11/1/2018	\$ 9,281.39	\$ 6,536.61	\$ 247,503.67	
11/1/2019	\$ 9,036.26	\$ 6,781.74	\$ 240,967.06	
11/1/2020	\$ 8,806.01	\$ 7,011.99	\$ 234,185.32	
11/1/2021	\$ 8,519.00	\$ 7,299.00	\$ 227,173.33	
11/1/2022	\$ 8,245.29	\$ 7,572.71	\$ 219,874.33	
11/1/2023	\$ 7,961.31	\$ 7,856.69	\$ 212,301.62	
11/1/2024	\$ 7,687.69	\$ 8,130.31	\$ 204,444.93	
11/1/2025	\$ 7,361.80	\$ 8,456.20	\$ 196,314.62	
11/1/2026	\$ 7,044.69	\$ 8,773.31	\$ 187,858.42	
11/1/2027	\$ 6,715.69	\$ 9,102.31	\$ 179,085.11	
11/1/2028	\$ 6,391.82	\$ 9,426.18	\$ 169,982.80	
11/1/2029	\$ 6,020.87	\$ 9,797.13	\$ 160,556.62	
11/1/2030	\$ 5,653.48	\$ 10,164.52	\$ 150,759.49	
11/1/2031	\$ 5,272.31	\$ 10,545.69	\$ 140,594.97	
11/1/2032	\$ 4,890.21	\$ 10,927.79	\$ 130,049.28	
11/1/2033	\$ 4,467.06	\$ 11,350.94	\$ 119,121.49	
11/1/2034	\$ 4,041.40	\$ 11,776.60	\$ 107,770.55	
11/1/2035	\$ 3,599.77	\$ 12,218.23	\$ 95,993.94	
11/1/2036	\$ 3,150.20	\$ 12,667.80	\$ 83,775.72	
11/1/2037	\$ 2,666.55	\$ 13,151.45	\$ 71,107.91	
11/1/2038	\$ 2,173.37	\$ 13,644.63	\$ 57,956.46	
11/1/2039	\$ 1,661.69	\$ 14,156.31	\$ 44,311.83	
11/1/2040	\$ 1,133.93	\$ 14,684.07	\$ 30,155.52	
11/1/2041	\$ 580.18	\$ 15,237.82	\$ 15,471.45	
11/1/2042	\$ 8.76	\$ 15,809.24	\$ 233.63	
11/1/2043	-	-	\$ (15,575.61)	
11/1/2044	-	-	\$ -	

**/O=MMS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RE**

**From:** Volker, Rosanne - RD, Corvallis, OR  
**Sent:** Wednesday, September 21, 2011 9:50 AM  
**To:** McCoog, Carol J.; 'Larry Tapanen'  
**Cc:** Otten, Brian - RD, Portland, OR; Sharp, Margo; Cordova, Jennifer B.; Nichols, Ella - RD, Portland, OR; 'Frances Accuntius'  
**Subject:** Beverly Beach WD interest rate change  
**Attachments:** BBWD001.pdf; BBWD rev.pdf

**Importance:** High

Hello everyone;;

Next quarters interest rates have been posted. We will be able to offer a lower rate to the District. Attached is a new amortization schedule for each loan. The new interest rate is 3.75% on both loans.

Keep in mind, we are not in a position yet to set a closing date, due to substantial completion is needed for the water treatment plant, which is targeted for October 22nd.

The interim loan matures November 6, so sometime between those dates we could tentatively schedule a closing. November 1st might be a good day to use as a potential closing date.

**NEW DATA:**

Closing of the \$650,000 loan secured by a general obligation installment water bond and an assignment of income. 30 years with an annual payment of \$36,459. A reserve account is not required for this loan.

Closing of the \$282,000 loan secured by a revenue installment water bond and an assignment of income. 30 years with an annual payment of \$15,818. A reserve account is required for this loan at \$1,582 per year.

The minimum level of required Fidelity Bond coverage for the District is \$52,277 (total of both loans annual payment) in addition to any other requirement for coverage that the District may have.

Rosanne Volker-Bronson  
Community Programs Specialist  
USDA Rural Development  
4077 SW Research Way  
Corvallis OR 97333  
phone: (541) 750-7019 / fax: (541) 752-9480

-----Original Message-----

**From:** Otten, Brian - RD, Portland, OR  
**Sent:** Tuesday, September 13, 2011 7:29 AM  
**To:** McCoog, Carol J.; Volker, Rosanne - RD, Corvallis, OR



United States Department of Agriculture  
Rural Development  
Eugene Area Office

January 25, 2008

Beverly Beach Water District  
Attn: Richard Crandall, Treasurer  
11494 NE Beverly Drive  
P.O. Box 576  
Newport OR 97365

COPY

RE: Rural Development Loan and Grant Conditions  
Water System Improvements

Dear Mr. Crandall;

**LETTER OF CONDITIONS**

USDA, Rural Development, Rural Utilities Service (RUS), hereby establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. Any changes in project cost, source of funds, scope of services, and/or any other significant changes in the project or applicant must be reported to and approved by Rural Development by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application. This letter is not to be considered as loan approval or as a representation as to the availability of funds.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," if you desire that further consideration be given to your application. This form also includes the request for the lowest interest rate possible. This will be either the interest rate at approval or loan closing, whichever is lowest. The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you.

If the conditions set forth in this letter, except those to be met at loan closing, are not met within 60 days from the date in hereof, Rural Development reserves the right to discontinue the processing of the application.

The term "Owner" as used in this letter refers to the above named addressee organization. Rural Development administers the RUS Water and Waste Disposal loan program. The term "facilities" refers to the Beverly Beach Water District Water System, to be improved to serve the residences and businesses in the area.

780 Bailey Hill Rd. • Suite 5 • Eugene OR 97402  
Phone: (541) 465-6443 ext. 112 • Fax: (541) 465-6483 • TDD: (503) 414-3387 • Web: <http://www.rurdev.usda.gov/or/>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."  
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W.,  
Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).

77/1

5/18/09  
RMB

1. **Amount**

The Rural Development, RUS, loan will not exceed \$650,000 loan and a \$282,000 loan and the grant will not exceed \$696,000.

interest rate change & Annual install charge  
SEE EMAIL 9-21-11

2. **Loan Payment Schedule**

The loans will be payable over a period of 30 years from the date of loan closing. An amortized payment of principal and interest will be scheduled on an annual basis.

The Owner will issue a single instrument installment General Obligation Bond \$650,000. The annual payments will be \$39,325, unless you are notified otherwise.

In addition the Owner will issue a single instrument installment Water Revenue Bond \$282,000. The annual payments will be \$17,061, unless you are notified otherwise.

Rural Development will utilize the Preauthorized Debit (PAD) payment process to allow loan payments to be electronically withdrawn from the District's bank account on the day the payment is due. Form SF-5510, "Authorization Agreement for Preauthorized Payments," will be used to formalize authorization of this process.

3. **Interim Financing**

Interim financing may be obtained immediately prior to the start of construction from commercial credit sources, such as a bank or other lender serving the area, to finance the facilities during construction. A written commitment from the lender is required prior to the preconstruction conference. **Rural Development cannot issue a commitment letter to an interim lender until we have received closing instructions from USDA, Office of General Counsel and construction bids have been obtained confirming that the project can be completed based on available funding.**

These funds, along with other project funds received from other agencies and sources, shall be placed in a "**Project Construction Account.**" Such funds will be expended only for eligible project expenses approved by Rural Development. The term of the interim financing will be for the total construction period. Upon completion of the project the Rural Development loan funds will be used to purchase the interim financing debt. **The amount of interim financing will not exceed \$ 852,000.**

4. **Contributions by the Owner**

If actual project costs exceed the project cost estimates, an additional contribution by the District may be necessary.

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8/6/09

5/18/09  
RMB

10-1311  
RWB

5. **Disbursement of Funds**

Any Owner's contribution will be expended first, and then other funding, including interim financing. RUS grant funds may be drawn when the interim financing, less interest, is exhausted.

RUS loan funds will be advanced to the Owner when the loan is closed. RUS loan funds will be exchanged for the single instrument installment Wastewater Revenue Bond and the RUS loan funds will be disbursed by the Owner to reimburse interim financing provided by a commercial lender. After providing for all authorized costs, any remaining RUS project funds will be considered to be RUS grant funds and will be refunded to Rural Development. If the amount of unused RUS project funds exceeds the RUS grant, that part would be RUS loan funds.

Once the funds are deposited into the Construction Account, they become your responsibility. Financial institutions or depositaries accepting deposits of public funds and providing other financial agency services to the Federal Government are required to pledge adequate, acceptable securities as collateral. General requirements for designating depositaries and regulations governing the pledging of collateral are identified in 31 CFR Part 202 ("Depositaries and Financial Agents of the Federal Government"). Treasury's current acceptability and valuation requirements are identified in 31 CFR Part 380 ("Collateral Acceptability and Valuation") and specific eligibility and valuation guidance is provided in Treasury's procedural instructions and on Treasury's Bureau of the Public Debt website at [www.publicdebt.treas.gov](http://www.publicdebt.treas.gov). All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Construction Account at any one time.

Any RD grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account except as follows:

- a. Federal grant awards (includes all federal funding sources) are less than \$120,000 per year.
- b. The best available interest bearing account would not be expected to earn in excess of the following:

**Non-Profits**

Interest earned on grant funds in excess of \$250 per year will be remitted to the RUS annually as required in 7CFR3019.

**Public Bodies**

Interest earned on grant funds in excess of \$100 per year will be submitted to RUS at least quarterly as required in 7CFR3016.

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6. **Other Project Funds**

The Owner is not anticipating receipt of other project funds.

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7. **Project Budget**

Based upon the funding amounts listed above and other funding, the proposed project budget will be as follows:

Administrative and Legal Services	\$	54,000
Preliminary study & report phase	\$	8,500
Construction	\$	1,158,000
Interim Loan Interest	\$	80,000
Engineering	\$	207,000
Contingency	\$	120,500
Total Project Costs	\$	1,628,000

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8. **User Verification**

Just prior to the preconstruction conference, "Verification of Users," will be provided to Rural Development by the Owner identifying the residential and commercial users that will be using the facilities and the corresponding single family equivalent dwelling units (EDU's). The minimum numbers of residential units (EDU's) will be 115, with no other EDU's.

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RWB

9. **Security Requirements**

Loan1 security for the loan will be a single instrument General Obligation Bond. The Bond will be dated as of the date of loan closing.

Loan 2 security for the loan will be a single instrument installment Revenue Bond and an Assignment of Income. The Bond will be dated as of the date of loan closing.

The Owner, through its Bond Counsel, is to provide Rural Development with a complete transcript for the Bond issues. The opinion from the Bond Counsel that is to accompany the Bond Transcript must show that the bond is a valid obligation of the District (See RUS Instr. 1780.14, Section 1780.14 (a).

The Owner will provide an assignment of sufficient income to repay the loan. This assignment is perfected in RUS Bulletin 1780-27, "Loan Resolution" (Public Bodies)

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10. **Title to Property**

The Owner has obtained the minimum amount of land necessary for the construction of the facilities. The land was acquired by patent, deed, permit, easement or right-of-way. Any land purchased will be subject to concurrence by the Rural Development and no land will be purchased where the price exceeds the present market value of the land. Prior to advertising for construction bids and in order for Rural Development to obtain closing instructions from its legal counsel and authorize a lender to provide interim financing, the Owner shall provide the following evidence of title to property:

- a. Title Insurance on any land upon which a Water Reservoir, Pump Station, Well or any other structure costing more than \$1,000.00 is to be



constructed. A preliminary title report should be provided to RUS as soon as practical.

- b. Right-of-Way easements prepared on Form RD 442-20 or other approved form for all Rights-of-Way which the applicant obtained for the proposed project.
- c. Right-of-Way Map.
- d. A Right-of-Way Certificate prepared by the Owner on Form RD 442.21.
- e. An Opinion of Counsel Relative to Rights-of-Way prepared on Form RD 442-22.

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**Pollution Control Standards & Other Governmental Requirements**

The Owner is to provide a certificate or letter from the Oregon Department of Water Resources certifying that the facilities will meet applicable pollution control standards. In addition, the Owner is to comply with all other requirements of RUS Instruction 1780, Section 1780.57 (h).

✓ 12. **Compliance with Comprehensive Plans**

Prior to grant approval, a certification is to be provided to Rural Development that will show that the proposed project is consistent with the state approved comprehensive land use plan for the area in which the project is located.

✓ 13. **Compliance with Section 504 of the Rehabilitation Act of 1973**

The Owner is to certify that all facilities intended for or accessible to the public or in which physically handicapped persons may be employed or reside will be developed in compliance with Architectural Barriers Act of 1968 (P.L. 90-480) as implemented by the General Services Administration regulations 41 CFR 101-19.6 and Section 504 of the Rehabilitation Act of 1973 (P.L. 93-112) as implemented by 7 CFR, Parts 15 and 15b, and Title 2 and 3 of the Americans With Disabilities Act of 1990.

**Self-Evaluation:** In accordance with the Section 504 of the Rehabilitation Act of 1973 (USDA Regulation 7 CFR 15b) the owner shall conduct a self-evaluation for public access, and, if applicable, a transition plan where major structural modifications are necessary to make common areas handicapped accessible. The owner will have up to three (3) years for complying with its transition plan, but must show annual progress on compliance.

✓ 14. **Operation and Maintenance Expenses**

O&M expenses must be properly budgeted to determine the financial viability of any operation. For planning purposes, we have projected O&M expenses based on the information provided in the preliminary engineering report which should be representative of a typical year. This information is utilized to determine loan repayment and is reflected in the operating budget. It is expected that O&M will change over each successive year and user rates will need to be adjusted for the need.

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RWB

✓ 15. **Proposed Operating Budget and User Rate Structure**

You will be required to submit a copy of your proposed annual budget and rate analysis to this office which supports the proposed loan repayment prior to this agency giving you written authorization to proceed with the bidding phase. The operating budget should be based on a typical year's cash flow subject to completion of this project in the first full year of operation. The rate analysis will be required to show the number of users, their average consumption based on a twelve month consecutive average, and rate structure to support the necessary revenue to make the operating budget cash flow. Form RD 442-7 "Operating Budget", or similar form may be utilized for this purpose.

**Mandatory Hookups:** A certification attesting to the number of users will be required prior to advertisement for construction bids.

✓ 16. **Business Operations and User Charges**

The Owner is to conduct the business operations in accordance with applicable State Codes and the Owner's rules and regulations. The Owner will provide service from the facilities to all areas where it is economically feasible.

The Owner is to adopt and enforce Rules and Regulations so that all users will pay equitable rates and water conservation will be promoted. Such Rules and Regulations must be approved by Rural Development prior to adoption by the Owner and prior to the start of construction. The rate schedule should result in sufficient income from the users for the Owner to obtain adequate income to pay estimated O&M and debt service.

✓ 17. **Facility Operation and Maintenance**

The Owner must provide the following documentation and information to Rural Development prior to loan closing regarding the operation and maintenance of the system:

- a. Evidence that an Operation and Maintenance Manual for the facility has been provided. The enclosed OR Guide 16 contains a Rural Development suggested format for an Operation and Maintenance Manual.
- b. A summary of the training provided or to be provided to the employees in the operation and maintenance of the facility.
- c. A plan for insuring that the employees receive continuing technical training on the facility. Utilize such training as may be available through community colleges and State agencies.
- d. Plan for encouraging the employees to become certified under State certification programs.

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18.

### Accounts, Records, and Audit Reports

The Owner is to establish a set of books and will maintain financial records. The books must provide for all entries of income and expenses. The financial records are to be established by the Owner and reviewed and approved by the Rural Development prior to construction. The Owner is to provide the Rural Development with quarterly and annual reports as follows:

- a. Quarterly reports to Rural Development for the first year of operation. Form RD 442-2 will be used.
- b. An annual audited financial statement or annual report as of the end of the Owner's fiscal year must be submitted to Rural Development each year. All audits must be in accordance with Generally Accepted Government Auditing Standards (GAGAS). A GAGAS audit is required if RUS debt is \$1,000,000 or more.

In each fiscal year that the Owner expends \$500,000 or more in Federal awards, an audit performed in accordance with the requirements of OMB Circular A-133 is necessary. Borrowers are eligible for a program-specific audit when they expend Federal awards under only one Federal program. If the borrower is receiving Federal assistance from other Federal programs or is receiving assistance from more than one WW program, they do not qualify for a program-specific audit. An award is deemed to be expended when the activity requiring compliance with Federal laws, regulations, and provisions of contract and grant agreements occurs. The total Federal funds expended from **all** sources should be used when determining the amount of Federal financial assistance expended. A133 audits must be submitted to the agency within the earlier of 30 days after the borrower's receipt of the auditor's report(s) or nine months after the end of the audit period.

In each fiscal year that the Owner does not expend \$500,000 or more in Federal awards, compliance with OMB Circular A-133 requirements is not required. However, the audit still must be completed in compliance with GAGAS requirements unless Rural Development has specifically waived the requirement for submittal of an audit report. The audited financial statements must be submitted within five months of the end of each fiscal year as required by Oregon Law.

All borrowers who are not required to submit an audit report will, within 60 days following the end of the fiscal year furnish Rural Development with annual financial statements, consisting of a verification of the organization's balance sheet and statement of income and expense report signed by an appropriate official of the organization or other documentation as determined appropriate by the approval official. Form RD 442-2, Statement of Budget, Income and Equity, and RD 442-3, Balance Sheet may be used for this purpose.

- c. The Owner will prepare an annual operating budget and submit a copy to Rural Development as soon as available but not later than the beginning of each budget year.

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**Insurance and Bonding**

The Owner is to obtain the following insurance, which is to be maintained for the life of the RUS loan:

- a. Worker's Compensation insurance for employees in accordance with State law.
- ✓ b. Liability and Property Damage insurance, including vehicular coverage, with minimum coverage of \$300,000/\$500,000/\$50,000 or a combined single limit coverage of \$500,000.
- c. The owner shall provide satisfactory evidence to RUS that all employees of owner's organization authorized to receive and/or disburse funds are covered by such bonding and/or insurance requirements as are normally required by the owner. Form RD 440-24, "Position Fidelity Schedule Bond," may be used. Similar forms may be used if approved by RUS.
- ✓ d. The minimum amount of Fidelity Bond Insurance shall be \$56,386, an amount equal to the total RUS payments.

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RUB in ✓

Evidence of insurance and fidelity bond coverage must be provided to Rural Development prior to project construction and annually thereafter.

20. **Reserve Account**

Reserves must be properly budgeted to maintain the financial viability of any operation. Reserves are important to fund unanticipated emergency maintenance and repairs, and assist with debt service should the need arise. Reserves can also be established and maintained for the anticipated and expected expenses including but not limited to operation and maintenance, customer deposits, and depreciation of short-lived assets.

As part of this RUS loan proposal you must establish and fund annually a debt service reserve fund equal to 10% of the annual payment each year over the life of the loan until you accumulate one annual installment. This reserve is required to establish an emergency fund for maintenance and repairs and debt repayment should the need arise. Ten percent of the proposed "revenue bond" loan installment would equal \$1,707 per year. This reserve should be maintained in a separate account and proof of the reserve balance will be provided each year in the Balance Sheet and/or the Notes to the Financial Statements in the Annual Audit Report. The "general obligation" loan does not have a debt service reserve requirement.

In addition, we recommend that you fund a depreciation reserve for short-lived assets by depositing a sum of \$1,200 annually in addition to that required for the debt service reserve.

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21.

**Loan Resolution**

RUS Bulletin 1780-27, "Loan Resolution," (Public Bodies) showing the correct amount of the loans are to be adopted and executed by the Owner and provided to Rural Development prior to the loan closing.

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22.

**Grant Agreement**

Attached is a copy of RUS Bulletin 1780-12, "Water or Waste System Grant Agreement," for your review. You will be required to execute a completed form prior to the advertisement for construction bids.

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RUB

23.

**Agreement for Professional Services**

Agreements for Professional Services, Engineering, Auditing and Legal, are required and are to be approved by Rural Development prior to loan approval. The agreements for "Professional Services" should be developed in accordance with Rural Development Instruction 1780, Section 1780.39 (b). The Owner should use the Rural Development standard agreements for these services.

10-12-11  
RUB

24.

**Construction Contract Documents and Bidding**

All development will be completed by competitive bid contract. The plans and specifications for the facilities are to be approved by the appropriate regulatory State agency and Rural Development prior to advertisement for bids. **The Owner agrees not to advertise for construction bids until Rural Development provides written approval to commence the bidding process. Advertising for construction bids without Rural Development concurrence will be grounds for Rural Development to withdraw funding for the project.** Evidence of approvals must be provided to Rural Development. The contract documents, bidding, inspections, and payment estimates are to be developed and handled in accordance with Rural Development Instruction 1780, Sections 1780.61, 1780-70, 1780-72, and 1780-76.

The contract documents, bidding, inspections, and payment estimates are to be developed and handled in accordance with RUS Instruction 1780.61(a)(b), using the "Engineers Joint Contract Documents Committee" (EJCDC) funding agency version documents. A sample of the EJCDC contract document is enclosed for your reference in the preparation of the contract documents.

10-12-11  
RUB

25.

**Construction Accounting and Monitoring**

A construction account must be set up and must provide for detailed accounting of all project costs.

**Project Monitoring Reports:** All billed cost or disbursements for the project must be submitted monthly to Rural Development on OR Guide 21, "Project Monitoring Report." The owner must submit copies of all bills, invoices, or statements with the Monitoring Report.

The owner shall provide Rural Development with the initial monthly report prior to the pre-construction conference and continuing until the project is completed and accepted by the owner.

All funds will be disbursed by the owner for authorized construction that has been completed in accordance with approved construction plans and specifications and for land, legal, engineering, interest, and administrative costs related to the project. All proposed payments for construction will be documented on Form RD 1924-18, "Partial Payment Estimate," and will be submitted to the Rural Development for review and concurrence **prior to payment** by the **Owner**.

**Electronic Fund Transfer:** Once all interim financing funds and contributions by the owner and other agencies have been expended Rural Development grant funds will be advanced to the owner by the Rural Development on a 30-day basis as The owner will provide Rural Development with a complete Form RD 440-11, "Estimate of Funds Needed for 30 Day Period Commencing XXX," or similar form for each advance of funds.

**To facilitate a prompt disbursement, Form SF-3881, "Electronic Funds Transfer Payment Enrollment Form" will need to be completed and submitted prior to the initial grant fund request.**

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RVB ✓

26. **Prior to Advertising for Bids**

Projects are not to be advertised for construction bids until permission to do so has been received from the Rural Development Area Office.

Rural Development cannot issue commitment letters for interim financing, concur in contract awards, approve executed contracts, or give other encouragement to start construction or incur debts to be paid with RUS funds until closing instructions have been provided by the USDA, Office of General Counsel and we determine those instructions can be met.

27. **Prior to Issuing Notice to Proceed**

A preconstruction conference must be held prior to the start of construction with the contractors, the engineer, Owner, resident inspector, other funding agencies' representatives and Rural Development. (Specific attention will be given to the responsibilities of the Owner, its consultants [project architect or engineer], and Rural Development regarding project monitoring, change orders, approval of pay requests, etc.). Rural Development Form RD 1924-16, "Record of Pre-construction Conference," or similar form will be used for the agenda.

28. **Refinancing and Graduation to Other Credit**

The Owner agrees that if at any time it shall appear to the Government that the Owner is able to refinance the indebtedness from responsible cooperative or private credit sources, at reasonable rates and terms for loans for similar purposes and periods of time, the Owner will, upon request of the Government, apply for and accept such financing in sufficient amount to repay the Government and will take all action necessary to obtain the financing. Graduation is required by section 333(c) of the Consolidated Farm and Rural Development Act [7 U.S.C. 1983(c)].

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RUB

29.

**Flood Insurance**

The Owner shall acquire and maintain flood insurance made available to it under the National Flood Insurance Act of 1968 equal to the total amount of the project costs for all portions of the project located within any flood hazard area.

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RUB

30.

**Civil Rights Act of 1964**

Compliance with Title VI of the Civil Rights Act of 1964, as amended, is required. The Owner shall adopt Form RD 400-4, "Assurance Agreement."

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31.

**Drug-Free Workplace Act of 1988 (P.P. 100-690)**

The Owner must execute Form AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants)."

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RUB

32.

**Vulnerability Assessments (VA) and Emergency Response Plans (ERP)**

Congress enacted the Public Health Security and Bioterrorism Preparedness Response Act of 2002, Public Law 107-188 (Bioterrorism Act). The Bioterrorism Act amended the Safe Drinking Water Act (SDWA) to require all medium and large sized community water systems (serving populations greater than 3,300) to assess vulnerability to terrorist attack and develop emergency plans for response to such an attack. Medium and large community water systems are being monitored by the U.S. EPA for completion of VA's and ERP's.

Rural Development requires all financed water and wastewater systems to have a Vulnerability Assessment (VA) and an Emergency Response Plan (ERP) in place. New water or wastewater systems must provide a certification that an ERP is complete prior to the start of operations. A certification that a VA is complete must be submitted within one year of the start of operations. All other borrowers must provide a certification that a VA and ERP is complete prior to bid authorization.

You will also be required to provide a certification that the VA and ERP are complete and are current every three years after the start of operations. RD does not need or want a copy of the VA or ERP. The requested certification will be sufficient to meet our needs. Technical assistance providers are available to provide on site assistance if desired.

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33.

**Debarment, Suspension, and Other Responsibility Matters**

Executive Order 12549 requires the following certifications:

- a. Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters." The Owner must execute this form to certify it is not debarred or suspended from Government assistance.
- b. Form AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion." This form is to be used by the Owner to obtain a certification from any person or entity with which it contracts exceeding \$25,000 in regard to this facility.

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RWB

34. **Equal Opportunity**

Compliance with Executive Order 11246 is required. The Owner shall complete and adopt Form RD 400-1, "Equal Opportunity Agreement."

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RWB

35. **Historic Preservation**

The Owner agrees that all facilities will be designed and constructed in a manner which will contribute to the preservation and enhancement of sites, structures, and objects of historical, architectural, and archaeological significance. All facilities must comply with the National Historic Preservation Act of 1966 (16 U.S.C. 470) as supplemented by 36 CFR 800 and Executive Order 11593, "Protection and Enhancement of the Cultural Environment."

36. **Small and Minority Business Utilization**

Affirmative steps should be taken by the Owner to assure that small and minority businesses are utilized when possible as sources of supplies, equipment, construction and services. The Owner should utilize OR Guide 19 of OR Instruction 1942-A when developing a plan for utilizing minority and small business firms. The Owner will submit a written statement or other evidence to Rural Development of the steps taken to comply with this condition.

37. **Mitigation Measures**

The following mitigation measures shall be spelled out in the USDA construction contract documents. Implementation will be monitored by the District and USDA Rural Development.

a) The District (hereinafter referred to as "the owner") shall comply with all applicable county, state, and federal regulations, shall obtain and comply with all required county, state, and federal permits, including mitigation measures;

b) ***(See attached document labeled "Exhibit B" for Mitigation Measures)***

All mitigation measures related to the construction phase of the project must be fully incorporated into the construction drawings and specifications. Implementation of mitigation measures will be monitored by the District and Rural Development. "

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RWB

38. **Merging with other Facilities**

The Owner agrees to merge with or annex with other water systems in the area when feasible.

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RWB

39. **Restrictions on Lobbying**

In order to comply with Section 319 of Public Law 101-121 which prohibits applicants and recipients of Federal contracts, grants and loans from using Federal appropriated funds for lobbying the Federal Government in connection with the award of a specific contract, grant or loan, all contractors and subcontractors must:



- a. Execute the attached Certification for Contracts, Grants, and Loans.
- b. Complete Standard Form LLL, "Disclosure of Lobbying Activities", if they have made, or agreed to make, payment, using funds other than Federal appropriated funds, to influence or attempt to influence a decision in connection with the contract.

The Certification (and, if appropriate, the Disclosure) must be provided to Rural Development.

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RUB

40. **Loan and Grant Closing**

The loan will be closed in accordance with instructions to be issued by the USDA Office of General Counsel.

Before the loan is closed, the Owner will be required to provide Rural Development with statements from the contractor, engineer, and attorney that they have been paid to date in accordance with their contract or other agreements and in the case of the contractor, he has paid his suppliers and subcontractors. Any exceptions must be authorized under Rural Development Instruction 1780, Section 1780.45.

The RUS loan will be closed after the Owner has complied with the following conditions:

- a. Construction of the project is completed and the Owner, project engineer, and Rural Development approve and accept the project.
- b. The contractors have provided the required warranty bonds.
- c. The Owner shall submit a final report of project funds upon completion of the project. The report shall be in sufficient detail to allow Rural Development to determine that interim financing funds were expended in compliance with Rural Development loan approval conditions.

Enclosed is the Processing Checklist, which lists the various steps and docket items necessary to accomplish in order to complete the proposed loan. If you have any questions concerning this letter, please contact me.

Sincerely,

Rosanne Volker-Bronson  
Community Programs Specialist

Enclosures: (See Attached)

cc: USDA Office of General Counsel, Portland, OR  
Community Programs Director, Portland, OR  
Rural Development Engineer, Portland, OR  
Kirkpatrick & Lockhart, Preston Gates Bond Counsel, Portland, OR  
Robert Bynum, PE, HBH Consulting Engineers  
*Dennis Bartolow, Attorney for District*

Enclosures for Letter of Conditions

Form SF-3881 "Electronic Funds Transfer Payment..."  
Form RD 400-1, "Equal Opportunity Agreement"  
Form RD 400-4, "Assurance Agreement"  
Form RD 440-11, "Estimate of Funds Needed"  
Form RD 440-24, "Position Fidelity Schedule Bond"  
Form RD 442-20, "Right-of-Way Easement"  
Form RD 442-21, "Right-of-Way Certificate"  
Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way"  
Form RD 1940-1, "Request For Obligation Of Funds"  
Form RD 1942-46, "Letter of Intent to Meet Conditions"  
RUS Bulletin 1780-12, "Water or Waste System Grant Agreement"  
RUS Bulletin 1780-27, "Loan Resolution" (Public Bodies)  
OR Guide 18, "Oregon RD Supplemental General Conditions" with attachments  
OR Guide 13, "Preparation of Bond Transcripts – Infrastructure Projects"  
OR Guide 19, "Rural Development Procurement Requirements Regarding Small,  
Minority, and Women's Businesses and Labor Surplus Area Firms"  
RD Guide 18, "RUS Supplemental General Conditions" (RUS Bulletin 1780-14)  
Self Evaluation / Transition Plan  
Form SF-5510 "Authorization Agreement for Preauthorized Payments"

NOTE: you may access our web-site for many of these forms  
[www.usda.gov/rus/water](http://www.usda.gov/rus/water)

**Beverly Beach Water District  
Water System Improvement Project**

**Exhibit B**

**Mitigation Measures**

- 1) The Beverly Beach Water District (District) shall comply with all applicable County, State, and federal regulations. The District shall obtain and comply with all required County, State, and federal permits, including mitigation measures;
- 2) The District shall adopt a flood plain management policy per Executive Order 11988 to control and/or restrict above ground development within the 100-year flood plain. Under this policy, the District may extend or install water service lines to any new development located within flood plain areas ONLY WHEN IT CAN BE DEMONSTRATED TO RUS THAT THERE ARE NO PRACTICABLE ALTERNATIVES TO ALLOWING THE DEVELOPMENT WITHIN THE FLOOD PLAIN. Where water service lines already exist within flood plain areas, service may be provided as long as this action is consistent with the District's flood plain management policy.
- 3) The District shall adopt a policy per Executive Order 11990 of not providing water service to any new development within the District's service boundary which would encroach upon or adversely affect any jurisdictional wetland, UNLESS IT CAN BE DEMONSTRATED TO RUS THAT THERE ARE NO PRACTICABLE ALTERNATIVES TO ALLOWING THE DEVELOPMENT WITHIN THE WETLAND AREA.
- 4) Construction activities shall be restricted to normal daylight work hours. All construction impacting County roads or State highways shall be properly flagged and barricaded for the safety of vehicular traffic and pedestrians. Open trenching shall be limited to the length of pipeline placement that can be completed in one day.
- 5) Noise abatement technology, such as mufflers, shall be properly maintained on construction vehicles, and machinery to minimize the potential for disturbance of wildlife and nearby residents. Construction equipment shall be equipped with hazardous materials spill recovery kits and construction crews shall be trained in their use.
- 6) Construction specifications shall contain requirements for dust control, erosion and sediment control, cleanup, and restoration of disturbed areas. Dust emissions shall be kept to a minimum through the use of watering. Disturbance of existing vegetation shall be kept to a minimum. Upon completion of the project, all disturbed ground shall be revegetated or resurfaced.

- 7) In the event archaeological or cultural resources are encountered during excavation or earth moving activities, work shall be stopped and the appropriate authorities shall be contacted immediately to discuss appropriate protocol for removal, inventory, and proper preservation of the resource. The officials to be contacted are the Rural Development State Environmental Coordinator (Joe Sahlfeld, (503) 414-3356) and the Oregon State Historic Preservation Office Archaeologist (Dennis Griffin, (503) 986-0674).

The above mitigation measures shall be spelled out in the Rural Development Letter of Conditions and construction contract documents. Implementation will be monitored by the District and Rural Development.

**GRIMSTAD & ASSOCIATE**  
Certified Public Accountants

Newport Office:  
P.O. Box 1930  
530 N.W. 3rd St. Ste E  
Newport, OR 97365  
(541) 265-5411  
Fax (541) 265-9255  
info@grimstad-assoc.com

To the Beverly Beach Water District  
Commissioners  
Lincoln County, Oregon

I was engaged to prepare the Oregon Report in Lieu of Audit for Beaver Beach Water District for the year ended June 30, 2024. During that process, I noted areas for improvement. Below are recommendations and comments as follows:

**FIDELITY BOND**

The water district's fidelity or faithful performance bond is understated. The requirements under ORS 297.435(2)(c) reflect what coverage should equal or exceed total revenue. In the District's case this should have been for June 30, 2024 an amount exceeding \$239,306. Coverage presently is \$60,000. I recommend coverage rise to at least \$250,000.

**BUDGET**

In preparing the report, it was found the budget shorted the level of required Debt Service by \$24,133, and there was no budget for transfers between funds. Also Material and Services was underbudgeted and the budget did not balance per fund. The Oregon Dept of Revenue is supportive of small districts and responds quickly to questions. I highly recommend the District review its current adopted budget for adjustments within this year to be assured it is in compliance.

**BOOKS**

I found your bookkeeper Marina Carr helpful and open to comments I have made. I appreciated working with her. I am providing her the adjusting entries and a trial balance reflecting her June 30, 2024 ending balances and our adjustments to the ending balances as of June 30, 2024. The District needs to post these adjustments as prior years have not been booked, building the number and amount of adjustments each year.

I appreciate the opportunity to be of service to you. If you have any questions, don't hesitate to call.

Sincerely,

  
Signe Grimstad  
Certified Public Accountant

Members:  
AICPA OSCPA & OAIA

cc: Marina Carr