3353

AUTHORIZATION FOR AGREEMENTS, MOUs, OR OTHER DOCUMENTS OBLIGATING THE CITY

All contracts, agreements, grant agreements, memoranda of understanding, or any document obligating the city (with the exception of purchase orders), requires the completion of this form. The City Manager will sign these documents after all other required information and signatures are obtained.

Document: HDR Engineering TO#17 ARPA Early Design Work ($600K)

Date: June 29, 2022

Statement of Purpose: Early design tasks to keep project on schedule while waiting for Lottery funding.

Department Head Signature: _____

Remarks, if any: Authorize $600K of the $805,975, remaining $205,975 to be amended with lottery funds.

City Attorney Review and Signature: _____ Date: 6/30/2022

Other Signatures as Requested by the City Attorney: _____
Name/Position

_____ Date: _____
Signature

Budget Confirmed:	Yes	X	No	☐	N/A	☐
Certificate of Insurance Attached:	Yes	☐	No	☐	N/A	X
City Council Approval Needed:	Yes	X	No	☐	Date:	06/20/2022

After all the above requested information is complete and signatures obtained, return this form, along with the original document to the City Manager for signature. No documents should be executed prior to the City Manager's approval as evidenced by signature of this document.

City Manager Signature: _____ Date: 7-6-22

Once all signatures and certificates of insurance have been obtained, return this document, along with the original, fully-executed agreement, MOU, or other document to the City Recorder. A copy of grant agreement and all project funding documents, must be forwarded to the Finance Department for tracking and audit purposes.

City Recorder Signature: _____ Date: _____

Date posted on website: _____

CITY OF NEWPORT
TASK ORDER NO. 17

ARPA Funding Dam Design (Early Design Work)

This TASK ORDER NO. 17 is to the Engineering Services Agreement, dated September 5, 2013, hereinafter called Agreement, between the City of Newport (CITY), and HDR Engineering, Inc. (ENGINEER).

A. SCOPE OF SERVICES

CITY agrees to utilize the services of ENGINEER and ENGINEER agrees to perform engineering services as defined within the scope of work, as identified in the attached Task Order No. 17 - ARPA Funding Dam Design, dated June 2, 2022. (Exhibit A)

B. CITY'S RESPONSIBILITIES

CITY to provide ENGINEER with the following information:

1. CITY shall assign appropriate reviewers to the project and compile and provide a single consolidated, coordinated, legible, and internally consistent copy of written review comments to ENGINEER for all draft documents and work products, as appropriate.

2. CITY shall provide timely review of submitted products, as appropriate.

C. COMPENSATION

1. CITY shall pay ENGINEER according to the revised fee schedule set forth in the attached scope of work. (Exhibit A)

2. Services provided under this Task Order No. 17 shall not exceed $600,000.

D. MISCELLANEOUS

All terms and conditions of the Agreement apply to this Task Order No. 17 as though fully set forth herein. In the event of a conflict between this Task Order No. 17 and the Agreement, the terms of this Task Order No. 17 shall apply.

The parties do mutually agree to all mutual covenants and agreements contained within this Task Order No. 17.

CITY OF NEWPORT:

By: _____

Title: City Manager

Date: 07-09-2022

HDR Engineering, Inc.

By: Tracy Ellwein 2022.07.07 15:49:16-07'00'

Title: Vice President

Date: 7/7/2022

Scope of Work

Task Order 17 - ARPA Funding Dam Design

June 2, 2022

Contents

I. SCOPE OF SERVICES

This Scope of Services includes early action items related to final design of the new Big Creek Dam that will be paid for by the American Rescue Plan Act (ARPA) funding. These early tasks will include: project management, topographic survey to obtain missing topography along the permanent access road, roller-compacted concrete (RCC) dam material sourcing, initial water rights coordination, access updates for the abutment geotechnical explorations, drilling program updates for September 2022, and several workshops necessary for the program planning of the overall project.

TASK 1 PROJECT MANAGEMENT

Objectives

Project management activities include directing and managing project work, tracking project financials, maintaining the project schedule, and managing changes to scope, schedule, and budget. Specific project management activities are described in each subtask. The activities performed under the project management task will cover the duration of this task order as described herein.

Subtasks

1.1 Scope, Schedule, and Budget Maintenance

The activities in this subtask include maintaining the project scope and validating scope items, developing and maintaining the project schedule, and tracking project budget expenditures, earned and planned value, physical percent complete, and percent spent. Activities under this task include identification of scope and related schedule and budget changes and to work with the project team and the City of Newport (City) to proactively and effectively manage these changes. Progress reports will be included with monthly invoices and provide a summary of work performed with scope, schedule, and budget updates. This task includes subconsultant coordination.

1.2 Develop Risk Register for the Project

A risk management plan and risk register will be developed as living documents that will be carried over to the final design stage. The project's risk management plan and risk register will list the risk associated with the project and how the team plans to manage the risk.

1.3 Project Meetings

Project meetings under the project management task include the project kickoff meeting, bi-weekly client/consultant project manager meetings, and project team meetings. HDR will develop agendas and meeting notes to capture decisions and action items from the meetings except the weekly client/consultant project manager check-in meetings.

1.3.1 Internal HDR Project Meetings

- Internal management review meetings as required under HDR's quality assurance/quality control (QA/QC) and risk management program
- Weekly project meetings (1-hour duration)

1.3.2 Client Meetings

Up to two meetings/workshops with the City and key design leads to engage with the client and resolve design issues and/or obtain needed client input for design development. Meetings will be held virtually as much as possible but in person meetings will be necessary. (In person meetings will take place either in Newport or Portland.)

1.3.3 Stakeholder Meetings

Upon City request, HDR personnel will assist with the following stakeholder meetings:

- Attendance at City Council meetings (one City Council meeting anticipated and will be attended by the PM)

Assumptions

- The project duration for this Task Order is assumed to be 12 months from Notice to Proceed.
- The project risk management plan is an internal document that will be shared with the client project manager, if requested.
- City review periods of draft technical memoranda (TMs) and comments will not exceed two weeks

Deliverables

- Monthly invoices and progress reports
- Duration for this Task Order is 12 months
- Meeting notes for client meetings where decisions are made

TASK 2 TOPOGRAPHIC SURVEY OF PERMANENT ACCESS ROAD

Objectives

HDR will hire subconsultant S&F Land Services (S&F) to provide professional surveying services. Specifically, S&F will conduct a conventional topographic survey including:

- Limits: Based on the Google Earth KMZ titled "Proposed Survey Limits" (Figure 1)
- Surface observations to produce contours at 1-foot intervals (space out ground shots at intervals to be able to accurately produce 1-foot contours on the topographic survey)
- Cross sections on a 50-foot interval, where applicable
- Locate roadway improvements in NE Harney Street and NE 36th Street
- Include improvements (curbs, buildings, signs, etc.)
- Storm and sanitary manholes upstream and downstream of site with invert elevations
- Underground utilities per public utility locate request

- Aboveground utilities (powerlines, vault lids, clean outs, etc.)
- Vertical Datum: Existing Survey Datum
- Horizontal Datum: Existing Survey Datum
- The survey will match the existing topographic survey for easy integration of the entire topographic data set.

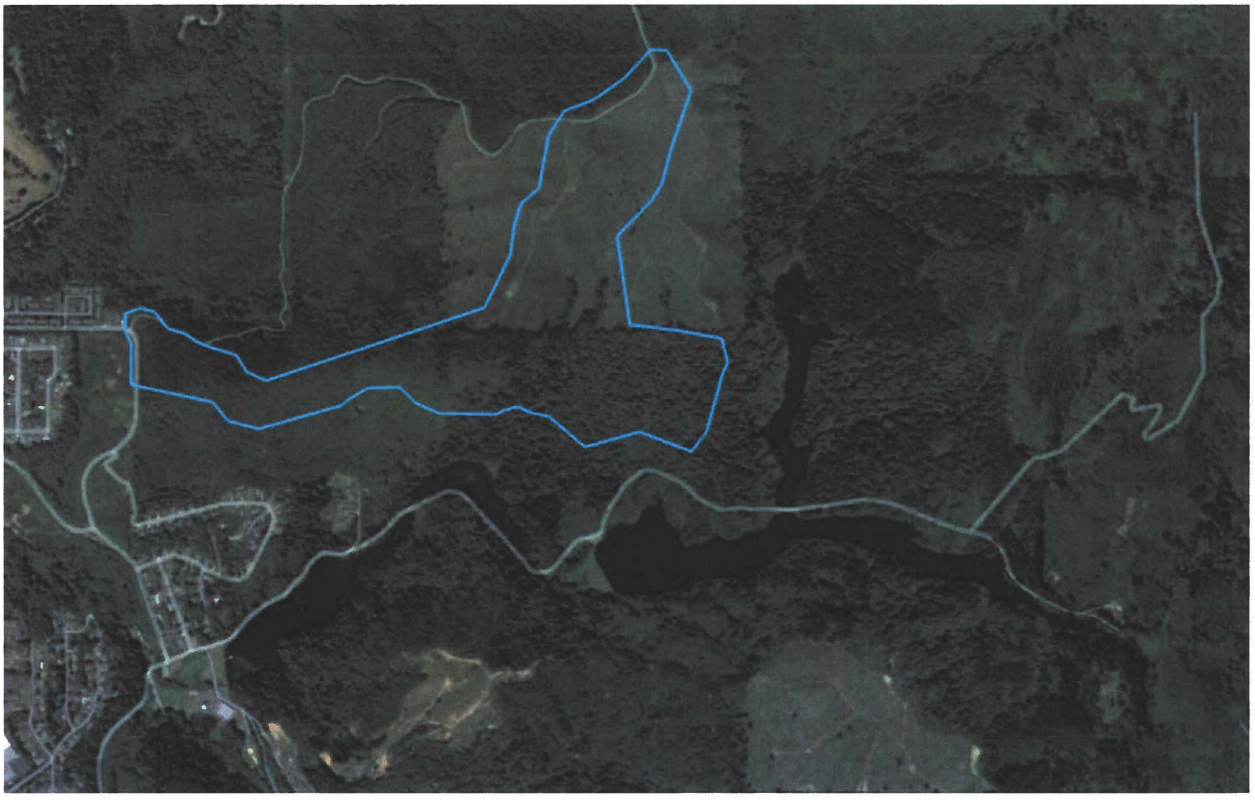
Assumptions

- Individual trees are not included
- Boundary survey is not required

Deliverables

- Topographic Survey and Map (pdf format)
- Base Map in AutoCAD Civil3D (.dwg)

Figure 1: Topographic Survey Limits



TASK 3 CONSTRUCTION MATERIAL SOURCING EVALUATION

Objectives

Coastal geology and a limited number of existing permitted facilities create regional challenges obtaining quality aggregates necessary for RCC, conventional concrete, drain and filter zones, and riprap materials commonly required for dam construction. Previous studies indicate quality

materials are commercially available but more economical and favorable options may exist and will be evaluated to provide necessary data to help prepare for competitive bidding.

Unfavorable site materials will require that a variety of materials be imported for constructing the new dam. This task will build upon previous regional evaluations to make a final identification of sources and quality requirements for construction materials including the following:

- RCC and conventional vibrated concrete (CVC) aggregate
- Cement and pozzolan alternatives (supplementary cementitious materials [SCM])
- Concrete admixtures
- Embankment soils (roads, structural, and reservoir backfills)
- Road surfacing materials
- Filter and drain sand and gravels
- Dam embankment core, riprap and riprap bedding for right abutment closure, if required)

Potential off-site commercial and non-commercial sources will be identified and evaluated for RCC and CVC aggregate and other construction materials required for the new RCC dam. Under a previous Task Order, HDR completed an initial desktop evaluation including communication with potential commercial quarries and suppliers. This information will be used and further refined under this task.

3.1 On-Site and Off-Site Construction Materials Evaluation

Previous construction material investigation information including maps, reports, technical memoranda will be revisited and expanded. Samples will be obtained from selected sources and tested as described below. This task specifically includes:

- Review previously performed evaluation
  - Evaluate previous site reconnaissance.
  - Evaluate previous site material testing.

- Evaluate the Iron Mountain Quarry. This quarry has had prior use but is not currently in operation and its use and viability are uncertain.
  - Investigate the history of the Iron Mountain Quarry including use and permits, ownership, potential restrictions, potential for extraction and full-scale testing of loose surface materials (e.g., 1-2 truckloads)
  - Evaluate extents of basalt presence
  - Evaluate ownership and land use
  - Evaluate permitting and reclamation requirements
  - Evaluate site investigation potential
  - Perform site reconnaissance
  - Obtain samples and perform aggregate qualification testing
  - Assess volumes and overall capability and availability
  - Select materials for mix design evaluation
  - Evaluate aggregate and preliminary mix program concurrently with alternative private material source including riprap evaluation
  - Ship samples to the laboratory

- Evaluate the Cedar Creek Quarry north of Newport on Hwy 101 near Kernville. This is a commercial quarry was previously contacted.
    - Evaluate the material at this quarry.
    - Communicate with quarry staff about available materials and testing opportunities.
    - Investigate the potential to use or partially use marginal quality coastal basalt from this quarry.
    - Discuss the potential to utilize the crushing and screening equipment at this quarry to obtain, crush and process a small run of material from the potential Iron Mountain Quarry to be used for qualification testing and mix design evaluations.

- Identify and evaluate other potential regional conventional concrete aggregate and sand suppliers, SCM sources, and perform a commercial source desktop and ground analysis:
    - Evaluate current industry SCM development
    - Identify common products and processes
    - Obtain available testing information
    - Obtain samples and perform supplemental aggregate testing
    - Assess volumes and overall capability and availability
    - Select materials for mix design evaluation
    - Evaluate aggregate and preliminary mix program concurrently with alternative private material source including riprap evaluation
    - Ship samples to the laboratory
    - Contact cementitious materials users and manufacturers: obtain product information; product and transport pricing; current, seasonal, and projected availability; and samples for testing and mix design testing

- Determine potential use and balance of use of site materials for dam and road general embankments, and dam core material for a right abutment embankment closure section for the new dam.
- Evaluate excavation surplus potential and spoils handling and wasting. Other construction materials: riprap, sand and gravels for concrete, drains, filters, etc., will be evaluated through the course of evaluating potential sources and materials for RCC aggregate.
- The following table lists anticipated aggregate qualification and index testing for up to five aggregate sources. The samples will be shipped to a qualified lab for testing.

Test Name	ASTM Testing Standard	Estimated
Petrography	C295	12
Unconfined Compressive Strength (method D with Em and v)	D7012-D	6
Moisture Content and Density - modified for rock	D7263	6
Point Load	D5731	12
Moisture Content and Density	D7263	3
Gradation	D6913	30
Percent Fines	D1140	30
Unconfined Compressive Strength	D2166	15

Test Name	ASTM Testing Standard	Estimated
Moisture Content	C566	36
Bulk Density	C29	36
Spec Gravity and Absorption – Fine	C128	36
Spec Gravity and Absorption – Coarse	C127	30
LA abrasion – Fine	C131 or 535	15
Sulfate Soundness	C88	18
Freeze/Thaw	D560	18
ASR - 14 day	C1260	18
Flat and elongated	D4791	3

Em: Young's Modulus
v: Poisson's Ratio

- Additional laboratory testing may be needed for screening up to six potential SCM sources. The state of practice for RCC using a combination of Portland cement and alternative SCM is currently being defined as the supply of fly ash decreases globally. Testing requirements for the Newport project will consider results of currently available SCMs including:
    - Where available commercial SCM source laboratory testing will be obtained.
    - A geotechnical laboratory will be located to perform additional necessary tests.
    - Samples will be shipped for testing.
    - An allowance is included in the fee for possible SCM testing (to be determined).
- A Construction Materials Sourcing Report will be started to capture the outcomes of this task and updated with information from subsequent tasks before final deliverable. Interim draft versions can be submitted for discussion.

3.2 Field Explorations for Material Testing

To obtain information about available materials, quality and quantity of the materials, material properties, and fracture patterns of the geology, site investigations must take place. Presuming favorable qualification testing at the potential Iron Mountain Quarry and/or it is found to be available and accessible for development, HDR proposes three borings at this potential quarry.

- The site characterization development and procurement will be incorporated in the site investigation field efforts from Task 4 of this scope.
- Quarry site characterizations will be listed as a contingency to the drilling program.
- Aggregate qualification testing would be performed under Task 3.1.
- The Construction Material Sourcing Report will be updated based on the results of this task.

3.3 Mix Design Source Evaluation

The results of Tasks 3.1 and 3.2 will be summarized and evaluated to identify the material sources to be used in the mix design evaluation under a future task order. HDR will coordinate with the City on the final material sourcing selection as recommended based on the results of the Task 3.1 and 3.2 work.

Assumptions

- Previously, materials from the Iron Mountain Quarry and the dredge spoils in the Yaquina Bay have been collected. HDR will check if the samples are still available. If available, qualification testing will be completed. The qualification testing will inform the quarry site investigations. If the samples are no longer available, new samples will be collected and used for qualification testing.
- The fee includes three site visits, each one day in length for two people.
- The fee includes an allowance for the laboratory testing as outlines in the table above. Additional testing may be required once the samples have been obtained. A change order will be necessary to adjust the laboratory testing program.
- If the Iron Mountain Quarry is available and a suitable amount of aggregate materials attainable, this quarry could become a valuable project potential. A commercial aggregate producer may be interested in cooperating to evaluate this material by extracting and processing a small amount (truckload or two) through a commercial crushing operation to permit observation, testing, and extracting materials suitable for use in trial mixes. If favorable, additional plausible and valuable investigation may include low-cost and high production percussion drilling to better assess basalt extents, test excavations, geophysics, or additional borings. The cost and benefits of this additional investigation and testing would be evaluated with the City, and additional investigation or testing would be addressed by change order.
- The additional site investigations are included under Task 4 as a contingency. All assumptions for Task 4 apply to this portion of the investigations.

Deliverables

- Draft and Final Construction Material Sourcing TM (PDF format)

TASK 4 GEOTECHNICAL SITE INVESTIGATION PREPARATION AND DRILLER PROCUREMENT

Objectives

Geotechnical site characterization work has previously been performed at the new proposed RCC dam site to support feasibility evaluations, design development, and cost estimating. Additional investigations and site characterization are required to complete final design. The final design level site characterization work will refine the geology in the abutments, support the layout of the excavation required for the dam and spillway, and provide information needed to finalize dam foundation treatment requirements.

The proposed boring locations in the abutments have challenging access as the topography is steep. Temporary access roads to those locations will need to be established.

Work under this task will support conceptual development of the temporary access roads to the boring locations and complete the final design exploration plan (in Task Order 09 in March 2020). Once the plan is complete, HDR will procure a qualified driller for the proposed September 2022 drilling schedule.

The exploration plan for the proposed September 2022 drilling efforts will identify additional details on the types and locations of subsurface borings, downhole testing and surveys, surface geophysical surveys, and laboratory testing plan.

HDR will contact drilling companies and request proposals for the exploration program and select a driller based on qualifications, availability, and price. The potential drillers will need to attend a mandatory site visit to see the conditions in the field and then provide an adequate quote for the exploration work.

Assumptions

- Based on field observations, HDR will develop alignments of the temporary access roads to the drilling locations including on the left abutment. Road design is not included in this scope. The City will provide access and clearing to the drilling locations. Construction and construction oversight of the roads are not included in this Task 4 scope.
- The exploration plan will be developed to procure a drilling company for the proposed September 2022 drilling efforts. The lab testing portion of the plan is subject to change based on conditions encountered in the field and the samples obtained. The actual geotechnical site investigation efforts are not included in this scope and will be performed as part of a later Task Order authorization.
- HDR's effort to complete the final design exploration program outlined in the plan, including Project Management and on-site administration; borehole logging; instrumentation installation; in situ test monitoring; laboratory testing oversight and data evaluation; and updating of the geologic/geotechnical data and interpretation reports, is not included in this scope.
- The mandatory site visit with the drillers is scoped for two HDR staff for one day in the field.
- City will provide the water source (pumping from Big Creek) to the abutment drill holes. This includes the City providing the pump and hoses from the reservoir to the drill holes.
- City will provide a place to properly dispose of drilling fluids, drill cuttings, excess borehole grout, and related waste materials from the drilling operations.

Deliverables

- Draft and Final Exploration Plan (PDF format)
- Procurement of drilling company: Driller's quote

TASK 5 WATER RIGHTS INITIAL COORDINATION

Objectives

The new RCC dam, including the planned increase reservoir storage capacity will require changes to water rights and the specified point of diversion. HDR will team with GSI to provide water rights expertise throughout the dam design and permitting process. This scope includes an allowance for GSI and HDR for initial water rights coordination with agencies. Additional water rights-related work will be included in later Task Orders. Work activities under this task may include such items as:

- Review existing water rights and status

- Review dam design relevant to point of diversion
- Assessing water rights permitting issues related to increasing water storage in the reservoir
- Prepare water rights permitting strategy technical memorandum
- Participate in HDR/City meetings as defined in fee estimate
- Participate in agency meetings as defined in fee estimate
- Other support activities, as needed and defined in fee estimate

Assumptions

- A $25,000 allowance has been allocated for this phase for GSI to familiarize themselves with the project, provide preliminary input, and participate in agency coordination.
- Preparation for permitting applications and ongoing agency coordination will be included in subsequent scopes of work. Activities that may be included in subsequent work for later task orders include:
    - Conduct pre-application meeting(s) with agencies
    - Prepare water right application(s)
    - Ongoing agency coordination and response through stages of application review
    - HDR/City meetings

Deliverables

- Agency coordination meeting notes.

TASK 6 PROGRAM PLANNING AND COMMUNICATION FOR THE OVERALL PROJECT FINAL DESIGN

Objectives

The final design of the new RCC dam requires planning, coordination, strategic communication, and decision making throughout the design process. Work under this task will initiate these important activities between the City and HDR as the project moves into the final design process. It will cover the preparations for, execution, and preparation of summary notes and a decision log for initial workshops between HDR and the City. Proposed topics to be covered in these initial workshops are listed below.

Construction and related risks:

- Work packaging, delivery, contract, procurement
- Construction delivery model, procurement, contract structure
- Construction sequence and funding, work packaging for construction
- Project-related cost risk management

Project access during and after construction:

- Property ownership for permanent and construction access roads
- Access road to private properties at upper reservoir
- Access to dam structure at crest and toe of the dam (valve house, injection station)
- Determine path forward for funding of road construction, permitting, acquisition/right-of-way/easement options, contracting options

Facility operations and climate change considerations:

- Typical operations considerations
- Future hydropower considerations
- Effect of climate change and future weather patterns
- SCADA control and monitoring

Best practices and design approach:

- Risk informed design approach
- Risk based decision making process
- Independent Board of Consultants for milestone reviews (standard of care within the industry)

Public outreach strategy update

- Review the previous public outreach campaign and update plan
- Plan will include key messaging, general pace of outreach efforts, outreach mechanisms (e.g., newsletters, meeting attendance)
- Identify supporting materials and content that will support the City's outreach efforts

Assumptions

- HDR assumes the timeline for topics to be covered will take three days.
- HDR budgeted three consecutive days to reduce travel costs.
- This task is a planning level effort and does not include execution of the actual work, but is to make decisions to be able to move forward with the project.

Deliverables

- Meeting notes for each workshop with program planning outcome and action items.

Manager	Technical Advisor II	Technical Advisor II	Engineer V	Engineer II	Engineer IV	EIT	Engineer III	Engineer V	Engineer II	Planner/Scientist IV	Planner/Scientist II	Project Technician III	Project Technician II	Project Technician I	Hours	Labor	Field Equipment	Travel	Total Expenses	HDR Fee	S&F Land Services	NHC
56.09	$415.83	$415.83	$288.71	$183.14	$243.46	$121.73	$221.92	$288.71	$183.14	$199.30	$149.74	$160.51	$128.20	$94.80								
80												32	16		128	$ 28,475			$ -	$ 28,475		
2													8		10	$ 1,558			$ -	$ 1,558		
6		4												8	38	$ 10,223			$ -	$ 10,223		
40	20		8	40				32	32	32					204	$ 50,072			$ -	$ 50,072		
30				16											46	$ 10,913		$ 500	$ 500	$ 11,413		
6	2		2	2				2	2					8	24	$ 5,074			$ -	$ 5,074		
164	**22**	**4**	**10**	**58**	**0**	**0**	**0**	**34**	**34**	**32**	**0**	**32**	**24**	**16**	**450**	**$ 106,314**	**$ -**	**$ 500**	**$ 500**	**$ 106,814**	**$ -**	**$ -**
															0	$ -			$ -	$ -	$ 98,740	
16															16	$ 4,257			$ -	$ 4,257		
16	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**16**	**$ 4,257**	**$ -**	**$ -**	**$ -**	**$ 4,257**	**$ 98,740**	**$ -**
															0	$ -			$ -	$ -		
	2		2	20		60		16	40	8	40				188	$ 31,905			$ -	$ 31,905		
24				30				32							86	$ 21,119	$ 300	$ 8,000	$ 8,300	$ 29,419		
16				4				36	16						72	$ 18,314			$ -	$ 18,314		
			4	20		100		24	80						228	$ 38,571			$ -	$ 38,571		
20	2		10	40		200		40	160						472	$ 81,563			$ -	$ 81,563		
	4			20		60		6	20			10			120	$ 19,630			$ -	$ 19,630		
				10		30			30			40			110	$ 17,398			$ -	$ 17,398		
															0	$ -			$ -	$ -		
				8		24						8			40	$ 5,671			$ -	$ 5,671		
	16		10					15							41	$ 13,871			$ -	$ 13,871		
60	**24**	**0**	**26**	**152**	**0**	**474**	**0**	**169**	**346**	**8**	**40**	**58**	**0**	**0**	**1,357**	**$ 248,040**	**$ 300**	**$ 8,000**	**$ 8,300**	**$ 256,340**	**$ -**	**$ -**
	2			40		40									82	$ 13,026			$ -	$ 13,026		
				40		40	16								96	$ 15,745			$ -	$ 15,745		
30				10			10	20							70	$ 17,807		$ 500	$ 500	$ 18,307		
	8				16										24	$ 7,222			$ -	$ 7,222		
30	**10**	**0**	**0**	**90**	**16**	**80**	**26**	**20**	**0**	**0**	**0**	**0**	**0**	**0**	**272**	**$ 53,801**	**$ -**	**$ 500**	**$ 500**	**$ 54,301**	**$ -**	**$ -**
40															40	$ 10,643			$ -	$ 10,643		
										20					20	$ 3,986			$ -	$ 3,986		
40	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**20**	**0**	**0**	**0**	**0**	**60**	**$ 14,629**	**$ -**	**$ -**	**$ -**	**$ 14,629**	**$ -**	**$ -**
80	40							40		20		8			188	$ 54,738			$ -	$ 54,738		
40	40							50		8					138	$ 43,306		$ 10,000	$ 10,000	$ 53,306		$ 9,000
24	4							10				8			46	$ 12,221			$ -	$ 12,221		
		12													12	$ 4,990			$ -	$ 4,990		
144	**84**	**12**	**0**	**0**	**0**	**0**	**0**	**100**	**0**	**28**	**0**	**16**	**0**	**0**	**384**	**$ 115,255**	**$ -**	**$ 10,000**	**$ 10,000**	**$ 125,255**	**$ -**	**$ 9,000**
454	**140**	**16**	**36**	**300**	**16**	**554**	**26**	**323**	**380**	**88**	**40**	**106**	**24**	**16**	**2,539**						**98,740**	**9,000**
20,803	**$58,216**	**$6,653**	**$10,394**	**$54,941**	**$3,895**	**$67,440**	**$5,770**	**$93,253**	**$69,592**	**$17,538**	**$5,990**	**$17,014**	**$3,077**	**$1,517**		**$ 542,298**	**$ 300**	**$ 19,000**	**$ 19,300**	**$ 561,598**	**$98,740**	**$9,000**
																$ -						
																					$103,677	**$9,450**

CITY MANAGER REPORT AND RECOMMENDATIONS

Meeting Date: January 3, 2022

Agenda Item:
Approval of Amendment No. 2 to the Clean Water State Revolving Fund (CWSRF) Loan Agreement R68933.

Background:
The work related to CWSRF loan R68933 has been completed. The amendment re-amortizes the loan to include the accrued interest from inception to-date and provides a finalized loan repayment schedule which will update the loan reserve requirements and replace appendix A repayment schedule.

Recommendation:
I recommend that the City Council consider the following motion:

I move to approve amendment No. 2 to the Clean Water State Revolving Fund Loan Agreement for No. R68933 for the City of Newport and authorize the City Manager to sign the amendment.

Fiscal Effects:
The fiscal effects outline the final repayment schedule that will be due on a semi-annual basis until the loan is retired in 2042. Funds are appropriated to annually to meet this requirement.

Alternatives:
None recommended.

Respectfully Submitted,

Spencer Nebel
City Manager

CLEAN WATER STATE REVOLVING FUND
LOAN AGREEMENT NO. R68933
AMENDMENT NO. 2

CITY OF NEWPORT

This Amendment No. 2 ("Amendment") to Loan Agreement No. R68933 (the "Loan Agreement") is executed between the STATE OF OREGON ACTING BY AND THROUGH ITS DEPARTMENT OF ENVIRONMENTAL QUALITY ("DEQ") and City of Newport (the "Borrower"), effective as of the Effective Date indicated below. Capitalized terms used in this Amendment which are not defined herein have the meanings assigned to them in the Loan Agreement.

The purpose of this Amendment is to re-amortize the loan to include the accrued interest to date and provide a finalized loan repayment schedule, update the Loan Reserve Requirement and replace Appendix A: Repayment Schedule.

Date of Loan Agreement: April 23, 2014

The parties agree as follows:

1. **EFFECTIVE DATE.** This Amendment is effective on the date that it is fully executed and approved as required by applicable law.

2. **AMENDMENTS TO AGREEMENT.**

b. The second sentence of ARTICLE 5(C)(1) is amended and restated as follows:

" the Loan Reserve Requirement is $317,804."

c. The attached "Appendix A: Repayment Schedule" replaces the current "Appendix A: Repayment Schedule" in its entirety.

3. **COUNTERPARTS.** This Amendment may be executed in two or more counterparts, each of which is an original and all of which when taken together are deemed one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart.

4. **ORIGINAL AGREEMENT.** Except as expressly amended above, the terms and conditions of the Loan Agreement shall remain in full force and effect. The Borrower certifies that the representations, warranties and certifications in the original Agreement are true and correct as of the effective date of this Amendment and with the same effect as though made at the time of this Amendment.

BORROWER: CITY OF NEWPORT

By:_____ Date: _____

Typed Name: _____

Title: _____

STATE OF OREGON ACTING BY AND THROUGH ITS
DEPARTMENT OF ENVIRONMENTAL QUALITY

By:_____ Date: _____
Jennifer Wigal, Administrator
Water Quality Division

APPENDIX A: PRELIMINARY REPAYMENT SCHEDULE

OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY
CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM
REPAYMENT SCHEDULE

BORROWER:	**City of Newport**	INTEREST RATE:	2.48%
		Term in years	20
SRF LOAN NO.:	**R68933**	PAYMENT AMOUNT:	$ 325,952
LOAN AMOUNT:	$ 10,031,027	ANNUAL FEE:	0.50%

Due		PAYMENT				Principal
Date	Pmt#	Principal	Interest	Fees	Total	Balance
						10,031,027
8/1/2022	1	201,567	124,385	0	325,952	9,829,460
2/1/2023	2	204,067	121,885	49,147	375,099	9,625,393
8/1/2023	3	206,597	119,355	0	325,952	9,418,796
2/1/2024	4	209,159	116,793	47,094	373,046	9,209,637
8/1/2024	5	211,753	114,199	0	325,952	8,997,884
2/1/2025	6	214,378	111,574	44,989	370,941	8,783,506
8/1/2025	7	217,037	108,915	0	325,952	8,566,469
2/1/2026	8	219,728	106,224	42,832	368,784	8,346,741
8/1/2026	9	222,452	103,500	0	325,952	8,124,289
2/1/2027	10	225,211	100,741	40,621	366,573	7,899,078
8/1/2027	11	228,003	97,949	0	325,952	7,671,075
2/1/2028	12	230,831	95,121	38,355	364,307	7,440,244
8/1/2028	13	233,693	92,259	0	325,952	7,206,551
2/1/2029	14	236,591	89,361	36,033	361,985	6,969,960
8/1/2029	15	239,524	86,428	0	325,952	6,730,436
2/1/2030	16	242,495	83,457	33,652	359,604	6,487,941
8/1/2030	17	245,502	80,450	0	325,952	6,242,439
2/1/2031	18	248,546	77,406	31,212	357,164	5,993,893
8/1/2031	19	251,628	74,324	0	325,952	5,742,265
2/1/2032	20	254,748	71,204	28,711	354,663	5,487,517
8/1/2032	21	257,907	68,045	0	325,952	5,229,610
2/1/2033	22	261,105	64,847	26,148	352,100	4,968,505
8/1/2033	23	264,343	61,609	0	325,952	4,704,162
2/1/2034	24	267,620	58,332	23,521	349,473	4,436,542
8/1/2034	25	270,939	55,013	0	325,952	4,165,603
2/1/2035	26	274,299	51,653	20,828	346,780	3,891,304
8/1/2035	27	277,700	48,252	0	325,952	3,613,604
2/1/2036	28	281,143	44,809	18,068	344,020	3,332,461
8/1/2036	29	284,629	41,323	0	325,952	3,047,832
2/1/2037	30	288,159	37,793	15,239	341,191	2,759,673
8/1/2037	31	291,732	34,220	0	325,952	2,467,941
2/1/2038	32	295,350	30,602	12,340	338,292	2,172,591
8/1/2038	33	299,012	26,940	0	325,952	1,873,579
2/1/2039	34	302,720	23,232	9,368	335,320	1,570,859
8/1/2039	35	306,473	19,479	0	325,952	1,264,386
2/1/2040	36	310,274	15,678	6,322	332,274	954,112
8/1/2040	37	314,121	11,831	0	325,952	639,991
2/1/2041	38	318,016	7,936	3,200	329,152	321,975
8/1/2041	39	321,960	3,992	0	325,952	15
2/1/2042	40	15	0	0	15	0
TOTALS		10,031,027	2,681,116	527,680	13,239,823	

REQUIRED LOAN RESERVE: $ 317,804

City Council Agenda Item
Meeting Date January 3, 2022

Issue/Agenda Title: Clean Water State Revolving Fund (CWSRF) - Loan agreement no. R68933 Amendment no. 2.

Prepared by: Mike Murzynsky

Proposed Motion: I move to grant the City Manager, Spencer Nebel, the City Council's approval to sign the amendment number two to Loan agreement R68933.

Background information:

The construction projects related to Loan R68933 have been completed and final accounting has been completed by the City and the State in late 2020-21. The State presented a projected final repayment schedule in July 2021 which included accrued interest payment of $1.2M due in January 2022. As this was not planned for in its entirety City Finance staff asked the State to roll all costs related to the loan intro one loan and they were helpful. Thus, as noted in the agreement, the purpose of this amendment is to re-amortize the loan to include the accrued interest from inception to date and provide a finalized loan repayment schedule, update the Loan Reserve Requirement, and replace Appendix A: Repayment Schedule.

Fiscal Notes:

The reserve requirement of $317,804 has been met and is being held in fund 302 - Wastewater Debt Service. The budgeted interest payment for this fiscal year of $125K will be added to the current reserve balance of $464K as the payment has been deferred to the 2021-22 Fiscal Year. And with the new payment schedule we will be able to create a rate structure for the coming years to cover the payment along with operations related to Wastewater.

Alternatives: None

Attachments:

Clean Water State Revolving Fund (CWSRF) - Loan agreement no. R68933 Amendment no. 2 with Appendix A: Repayment Schedule