From: Allen Benson Date: April 20, 2020 at 5:22:33 PM PDT To: Matt Hurley Subject: Fwd: Bridge Security

Here is the letter from Janice I received after her call this afternoon.

There was nothing in the loan agreement that would prohibit a gate. Also she included the regulations and the only section that could pertain to a gate (They call it a boundary). And their note is below in red.

-allen

------ Forwarded message ------From: **Roderick, Janice - RD, Olympia, WA** <<u>janice.roderick@usda.gov</u>> Date: Mon, Apr 20, 2020 at 5:04 PM Subject: Bridge Security To> Cc: Cormier, Ambrea - RD, Olympia, WA <<u>ambrea.cormier@usda.gov</u>>

Allen: Outlined below is the regulation pertaining to public access. In addition, Ambrea and I reviewed your LOC and did not find any particular language related to the public use of the bridge. I hope this assists you in determining the feasibility of security of the bridge.

§ 1942.17 (e) <u>Facilities for public use</u>. All facilities financed under the provisions of this subpart shall be for public use. (Revised 05-19-92, SPECIAL PN.)

(1) Utility-type service facilities will be installed so as to serve any user within the service area who desires service and can be feasibly and legally served. Applicants and borrowers must obtain written concurrence of the Rural Development prior to refusing service to such user. Upon failure to provide service which is reasonable and legal, such user shall have direct right of action against the applicant/borrower. A notice of the availability of this service should be given by the applicant/borrower to all persons living within the area who can feasibly and legally be served by the phase of the project being financed. (i) If a mandatory hookup ordinance will be adopted, the required bond ordinance or resolution advertisement will be considered adequatenotification.

(ii) When any portion of the income will be derived from user fees and a mandatory hookup ordinance will not be adopted, each potential user will be afforded an opportunity to request service by signing a Users Agreement. Those declining service will be afforded an opportunity to sign a statement to such effect. Rural Development has guides available for these purposes in all Rural Development offices.

(2) In no case will boundaries for the proposed service area be chosen in such a way that any user or area will be excluded because of race, color, religion, sex, marital status, age, handicap, or national origin. (Revised 3-1-88, SPECIAL PN.) A gate will not create this type of boundary

(3) This does not preclude:

(i) Financing or constructing projects in phases when it is not practical to finance or construct the entire project at one time, and

(ii) Financing or constructing facilities where it is not economically feasible to serve the entire area, provided economic feasibility is determined on the basis of the entire system and not by considering the cost of separate extensions to or parts thereof; the applicant publicly announces a plan for extending service to areas not initially receiving service from the system; and potential users located in the areas not to be initially served received written notice from the applicant that service will not be provided until such time as it is economically feasible to do so, and (Revised 05-19-92, SPECIAL PN.)

(iii) Extending services to industrial areas when service is made available to users located along the extensions.

(4) The State Director will determine that, when feasibly and legally possible, inequities within the proposed project's service area for the same type service proposed (i.e., water or waste disposal) will be remedied by the owner on or before completion of the project that includes Rural Development funding. Inequities are defined as flagrant variations in availability, adequacy or quality of service. User rate schedules for portions of existing systems that were developed under different financing, rates, terms or conditions, as determined by the State Director, do not necessarily constitute inequities.

(5) Before a loan is made to an applicant other than a public body, for other than utility type projects, the articles of incorporation or loan agreement will include a condition similar to the following:

"In the event of dissolution of this corporation, or in the event it shall cease to carry out the objectives and purposes herein set forth, all business, property, and assets of the corporation shall go and be distributed to one or more non- profit corporations or public bodies as may be selected by the board of directors of this corporation and approved by at least 75 percent of the users or members to be used for, and devoted to, the purpose of a community facility project or other purpose to serve the public welfare of the community. In no event shall any of the assets or property, in the event of dissolution thereof, go or be distributed to members, directors, stockholders, or others having financial or managerial interest in the corporation either for the reimbursement of any sum subscribed, donated or contributed by such member.

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