

RESOLUTION NO. 3735

A RESOLUTION AUTHORIZING THE CITY OF MILES CITY TO ENTER INTO A RENEWABLE RESOURCE GRANT AGREEMENT WITH THE CONSERVATION AND RESOURCE DEVELOPMENT DIVISION OF THE MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

WHEREAS, The City of Miles City has applied for a grant with the Montana Department of Natural Resources and Conservation for a Wastewater System Improvements Project;

AND WHEREAS, the Montana Department of Natural Resources and Conservation has awarded the City a grant in an amount not to exceed \$100,000.00, and requires that the City enter into a Renewable Resource Grant Agreement in order to receive such grant;

NOW THEREFORE BE IT RESOLVED by the City Council of Miles City, Montana, as follows:

1. The Mayor of the City of Miles City is hereby empowered and authorized to execute the Renewable Resource Grant Agreement attached hereto as Exhibit "A" on behalf of the City of Miles City and bind the City of Miles City thereto; and

2. The Mayor of the City of Miles City is hereby empowered and authorized to execute such further documents as are necessary to carry out the terms of said Agreement and bind the City of Miles City thereto.

SAID RESOLUTION FINALLY PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE CITY COUNCIL OF THE CITY OF MILES CITY, MONTANA, AT A DULY CALLED MEETING THIS 12th DAY OF AUGUST, 2014.



C.A. Grenz, Mayor

ATTEST:



Lorrie Pearce, City Clerk

**RENEWABLE RESOURCE GRANT AGREEMENT
CONSERVATION AND RESOURCE DEVELOPMENT DIVISION
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION**

Project Sponsor: City of Miles City

Project Name: Wastewater System Improvements Project-2014

Grant Agreement Number: RRG-15-1632

Declarations

- Section 1. Purpose
- Section 2. Term
- Section 3. DNRC's Role
- Section 4. Project Scope
- Section 5. Project Budget
- Section 6. Availability of Grant Funds
- Section 7. Grant Disbursements
- Section 8. Reports
- Section 9. Records and Audits
- Section 10. Project Monitoring and Access for Inspection and Monitoring
- Section 11. Employment Status and Workers' Compensation
- Section 12. Equal Employment
- Section 13. Indemnity and Liability
- Section 14. Compliance with Applicable Laws
- Section 15. Copyright - Government Right to Use
- Section 16. Failure to Comply
- Section 17. Assignment and Amendment
- Section 18. Montana Law and Venue Section
- Attachment A – Scope of Work
- Attachment B – Budget
- Attachment C – Final Report Requirements and Certificates of Final Completion

FOR DNRC USE ONLY

Approved

Maximum amount under this Agreement: \$100,000

Agreement No. RRG-15-1632

-Source of Funds -

Amendment No. _____

<u>Fund Name</u>	<u>Fund No.</u>	<u>Subclass</u>	<u>ORG</u>	<u>Percent</u>
Natural Resource Projects Account	02577	54016	3414111	100%

Division [Signature]
 FSO [Signature]
 Legal [Signature]

Appropriation Authority - 63rd Legislature/2013 H.B. 6

MONTANA RENEWABLE RESOURCE GRANT AGREEMENT

THIS GRANT, administered by the Montana Department of Natural Resources and Conservation (DNRC) and funded by the Montana Legislature in House Bill 6, is consistent with the policies, procedures and objectives of the Montana Renewable Resource Grant and Loan Program (MCA Title 85, Chapter 1, Part 6) for the enhancement of Montana's renewable natural resources. This grant is accepted by the City of Miles City, hereinafter referred to as the Project Sponsor and represented by **Chris Grenz, Mayor, P.O. Box 910, Miles City, MT, 59301, 406-234-3462, mayor@milescity-mt.org**, according to the following terms and conditions:

SECTION 1. PURPOSE. The purpose of this Grant Agreement (Agreement) is to establish mutually agreeable terms and conditions, specifications, and requirements to grant funds to the Project Sponsor to design and construct improvements at the existing wastewater treatment facility.

SECTION 2. TERM. The effective date of this Agreement is the date of last signing. The Project Sponsor shall have until **December 31, 2015** to complete the project and work described in Section 4, Project Scope. DNRC may grant an extension for completion upon request and showing of good cause by the Project Sponsor. A request for extension must be submitted to DNRC within 45 days prior to the termination date of this Agreement.

SECTION 3. DNRC's ROLE. DNRC is administering funds awarded by the Legislature to ensure that the funds are used according to the intent of the Legislature and the purposes, objectives, and procedures of the Renewable Resource Grant and Loan Program. Upon request from the Project Sponsor or its agent, DNRC will explain or clarify the terms and conditions of this Agreement and may provide limited technical assistance. DNRC will monitor project expenditures to assure payment eligibility. DNRC assumes no responsibility for the Project Sponsor's obligation to faithfully perform the tasks and activities necessary to implement and complete a project. The DNRC liaison for this grant is **Bob Fischer, P.E. at 406-444-6688, rfischer@mt.gov**; PO Box 201601, Helena, MT 59620-1601. All requests for information and assistance, claims for grant funds, and reports shall be submitted to the DNRC's liaison / designee.

SECTION 4. PROJECT SCOPE. The scope of work for this project is described in Attachment A and incorporated herein by this reference. Supporting documents and attachments from the Renewable Resource Grant Application dated May 15, 2012 are also incorporated herein by this reference.

Plans and specifications for this project shall be prepared by a registered professional engineer licensed to practice in his or her areas of competence in the State of Montana. Plans and specifications shall be submitted to the Montana Department of Environmental Quality (DEQ) for review and approval prior to construction. Construction shall be in strict accordance with DEQ approved plans and specifications.

SECTION 5. PROJECT BUDGET. A project budget showing anticipated expenditures is provided in Attachment B and incorporated herein by this reference. A transfer of funds between budget categories in an amount exceeding 20 percent of the total grant amount must have prior written approval of DNRC.

SECTION 6. AVAILABILITY OF GRANT FUNDS. The Project Sponsor acknowledges and understands that grant funds become available through earnings from certain natural resource based taxes deposited in the natural resources projects state special revenue account. Renewable Resource Grant and Loan Program funds will be released to the extent they are available. Costs incurred prior to this Agreement are not eligible for reimbursement, unless determined by DNRC to be an emergency, but may be counted as match funds upon written approval by DNRC. DNRC may consider an expenditure made prior to the effective date of this Agreement to be an emergency expenditure if it is necessary to protect the imminent loss of life or property; to prevent significant imminent environmental damage; or to prevent the physical failure of a system.

SECTION 7. GRANT DISBURSEMENTS. The Project Sponsor shall submit claims for grant funds to DNRC. Receipts, vendor invoices, inspection certificates and other documentation of costs incurred shall be submitted with the claims. DNRC will verify the claims and check them against the Reports required in Section 8 and the Budget provided in Section 5. DNRC will disburse grant funds to the Project Sponsor upon approval. Reimbursement of Project Sponsor expenditures will only be made for expenses included in the Budget provided in Section 5 and that are clearly and accurately supported by the Project Sponsor's quarterly reports. DNRC may withhold 10 percent of the total authorized grant amount until all the tasks outlined in Section 4 and the Final Report required by Section 8 are completed and approved by DNRC. Total payment for all purposes under this Agreement shall not exceed **\$100,000**.

Reimbursement requests for work performed during the term of this Agreement must be submitted to the DNRC liaison within 90 calendar days after expiration of this Agreement to receive payment.

SECTION 8. REPORTS. The Project Sponsor is responsible for submitting quarterly updates, a final report, and a signed Certificate of Compliance at project completion. Pictures of the project before, during and after construction will be provided electronically by email to the DNRC liaison upon request. Because images may be used for publicity as well as project documentation, the project sponsor must acquire any release(s) necessary for the government's right to use as provided in SECTION 15. COPYRIGHT – GOVERNMENT RIGHT TO USE.

8.1 Quarterly progress reports for the periods ending each March, June, September and December shall be submitted to the DNRC liaison during the term of this Agreement. Reports will include: a description of activities conducted during the quarter, costs incurred, funds remaining, percent complete of the total project, and anticipated changes in project scope, schedule or budget. The Project Sponsor shall report on total project costs including those funded by the Project Sponsor and other matching funds. Significant problems encountered shall be noted and necessary scope and/or time line modifications requested

Quarterly reports must be submitted to the DNRC liaison within 15 calendar days following the close of the quarterly period. No claims for disbursements will be honored if the quarterly report has not been approved or if there is a delinquent report.

8.2 The Project Sponsor will submit a final report upon project completion. Final disbursement of grant funds is contingent upon DNRC receipt and approval of a signed Certificate of Completion and a report that meets requirements described in Attachment C.

SECTION 9. RECORDS AND AUDITS. The Project Sponsor will maintain appropriate and adequate records showing complete entries of all receipts, disbursements and other transactions relating to the project. DNRC, the Legislative Audit Division, or the Legislative Fiscal Division may, at any reasonable time, audit all records, reports, and other documents that the Project Sponsor maintains under or in the course of this Agreement to ensure compliance with its terms and conditions.

SECTION 10. PROJECT MONITORING AND ACCESS FOR INSPECTION AND MONITORING. DNRC or its agents may monitor and inspect all phases and aspects of the Project Sponsor's performance to determine compliance with this Agreement, including the adequacy of records and accounts. DNRC may present specific areas of concern to the Project Sponsor providing the Project Sponsor the opportunity to better accomplish the goals and objectives of the Agreement and conditions of this Agreement.

Because this grant is from public funds, the Project Sponsor shall accommodate requests for public access to the site and records with due consideration for safety, private property rights, and convenience of everyone involved.

SECTION 11. EMPLOYMENT STATUS AND WORKERS' COMPENSATION. The project is for the benefit of the Project Sponsor. DNRC is not an owner or general contractor for the project and DNRC does not control the work activities or work-site of the Project Sponsor or any contractors that might be engaged for completion of the project.

The Project Sponsor is independent from and is not an employee, officer or agent of the State of Montana or DNRC. The Project Sponsor, its employees and contractors are not covered by the Workers' Compensation laws applicable to DNRC as an employer. The Project Sponsor is responsible for making sure that its employees are covered by Workers' Compensation Insurance and that its contractors are in compliance with the coverage provisions of the Workers' Compensation Act.

SECTION 12. EQUAL EMPLOYMENT. Any hiring of employees under this Agreement shall be on the basis of merit and qualifications, and there shall be no discrimination on the basis of race, color, religion, creed, sex, national origin, age, disability, marital status, or political belief. "Qualifications" mean qualifications as are generally related to competent performance of the particular occupational task.

SECTION 13. INDEMNITY AND LIABILITY. The Project Sponsor shall defend, indemnify and hold harmless DNRC and the State of Montana and its agents from and against any and all claims, demands, or actions for damages to property or injury to persons or other damages to persons or entities arising out of or resulting from the performance of the work or services funded by this grant. This Agreement is not intended to relieve a liable party of financial or legal responsibility.

SECTION 14. COMPLIANCE WITH APPLICABLE LAWS. All work must be in accordance with all federal, state and local law, statutes, rules and ordinances.

14.1. It shall be the Project Sponsor's responsibility to obtain all permits, licenses or authorizations that may be required from government authorities prior to initiation of the project or required to be obtained by the time of completion of the project and to be eligible for reimbursement funds under this Agreement. Permits or authorizations may include but are not limited to: Beneficial Water Use Permits (85-2-302(1), MCA), Change in Appropriation Right Authorization (85-2-402(1)(a),MCA) or other requirement under the Montana Water Use Act that may apply; 310 permitting requirements; or other permits or authorizations that may be required by state, local, or federal agencies prior to beginning work on the project or prior to completion of the project.

14.2. Procurement of labor, services, supplies, materials, and equipment shall be conducted according to applicable federal, state, and local statutes. The award of a grant or by grantee entering into this Agreement shall not be taken to imply that any required permits or authorizations issued by DNRC or other state, federal or local agency will be approved.

SECTION 15. COPYRIGHT - GOVERNMENT RIGHT TO USE. Any graphic, photographic, or other material developed under this Agreement may be copyrighted with the proviso that the State of Montana will have a royalty-free, nonexclusive, and irrevocable right to produce, publish or otherwise use, and authorize others to use the work for state government purposes.

SECTION 16. FAILURE TO COMPLY. If the Project Sponsor fails to comply with the terms and conditions of this Agreement, or reasonable directives or orders from DNRC, DNRC may terminate the Agreement. and refuse disbursement of any additional funds from this grant.. Such termination will become a consideration in any future application for grants from the Renewable Resource Grant and Loan Program.

SECTION 17. ASSIGNMENT AND AMENDMENT. This Agreement is not assignable. Amendment may be accomplished only by express written agreement of the parties. Amendments will be attached as an integral component of the Agreement.

SECTION 18. MONTANA LAW AND VENUE. Any action brought by any party to this Agreement that is based on enforcement or performance under this Agreement or interpretation of any term or condition of this Agreement, shall be governed by the laws of the State of Montana. Venue shall be in the First Judicial District, Lewis and Clark County, Montana.

The Project Sponsor and Grantee hereby accepts this grant according to the above terms and conditions.

I hereby certify that the information and all statements in the grant application are true, complete and accurate to the best of my knowledge and that the project or activity complies with all applicable state, local, and federal laws and regulations.

I further certify that this project will comply with applicable statutory and regulatory standards. I further certify that I am authorized to enter into and sign a binding agreement with the Department of Natural Resources and Conservation.

By: Chris Grenz
(signature)

Date 8/5/14

Print name and title: CHRIS GRENZ MAYOR

For: City of Miles City

Tax ID Number: 81-6001292

By: [Signature]

Date 8-21-14

For: The Montana Department of Natural Resources and Conservation

Attachment A – Scope of Work

Background:

The City of Miles City operates a mechanical wastewater treatment plant that was constructed in 1980 and must be upgraded in order to meet current effluent discharge permitting and sludge handling requirements. To meet current effluent discharge requirements, the City plans to upgrade its existing facility. Planned improvements include sludge treatment and handling improvements and an effluent disinfection facility.

Scope of Work:

Tasks to be completed within the scope of this project included the following:

1. Construction of a second aerobic digester in order to meet standards for Class B biosolids;
2. The construction of a sludge storage facility; and
3. The addition of sludge treatment and handling equipment including a composting facility.

All work must be completed in strict accordance with plans and specifications prepared by a registered professional engineer qualified and competent in the design and construction of the associated work.

Schedule:

The project is currently being designed and construction is scheduled to begin in 2015 and to be complete by the end of 2016.

Attachment B – Budget

	DNRC Grant	Match Funding	Total
Administration (Includes Bond Reserve)		\$ 619,000	\$ 619,000
Professional/Technical			
Design Engineering	\$ 50,000	\$ 331,500	\$ 381,500
Construction Engineering		\$ 381,500	\$ 381,500
Construction			
Construction	\$ 50,000	\$4,950,000	\$5,000,000
Contingency	<u> </u>	<u>\$ 494,000</u>	<u>\$ 494,000</u>
Total	\$100,000	\$6,776,000	\$6,876,000

Summary of Matching Funds

Treasure State Endowment Program Grant	\$ 500,000
State Revolving Fund Loan	<u>\$6,276,000</u>
Total	\$6,776,000

Attachment C

Final Report Information Requirements

The Project Sponsor will submit one hard copy and one electronic copy (in pdf format) of the final report to DNRC upon project completion. Final disbursement of grant funds is contingent upon DNRC receipt and approval of a final report that meets requirements described in this Attachment.

At a minimum, the final report must describe the purpose and location of the grant, project tasks, changes to the scope, schedule or budget, how the project met stated goals and objectives, how the project benefited and/or developed renewable resources, and current project status.

The project sponsor is not required to use the suggested format in this attachment but must include the information listed below. A good final report will use photos, maps, charts and narrative to present information. The final report for this project may be posted on the DNRC website.

1. Title Page:

- A. Grantee's name, address and telephone numbers.
- B. DNRC contract number
- C. Name, address, and telephone numbers of other contacts if the primary contact is not available.
- D. Funding: total project cost and amount of grant.
- E. State where copies of the report may be obtained. (An email address or website is acceptable).

2. **Introduction:** Describe the project history, location and purpose. Provide a map.

3. Discussion and Results:

- A. Describe how project goals and tasks identified in the contract agreement were completed:
 - Describe how each task listed in the contracted scope of work was accomplished. Provide details (for example, if trees were planted as an erosion control measure, state how many, the tree species, the age or size of trees, and location of the plantings).
 - List the goals and/or objectives of the project as stated in the scope of work and briefly describe how they were met by the activities described in the tasks above.
 - Provide an explanation for contracted tasks that were not completed.
 - Describe any out-of-scope work
- B. Summarize any problems encountered and solutions adopted. What would you do differently?

4. Renewable Resource and Public Benefits:

List the anticipated overall benefits of the project as stated in the grant application. Were these benefits realized? If not, explain why.

5. Grant Administration & Project Costs

- A. Budget: Include a summary of how project funds were spent by budget category and source of funding. Explain cost overruns or savings. Discuss unbudgeted expenses that arose over the course of the project.
- B. Identify the matching funds that were to be spent according the Grant Agreement. Document that these funds were spent. If not all matching funds were spent, explain why.

6. Project Completion and Certification (provide only the applicable information below for your project)

- A. Project Sponsor's Certificate of Compliance.
- B. As Built Drawings if requested by the Department
- C. Engineer's Statement of Final Completion (if applicable)

FINAL REPORT
STATEMENT OF COMPLETION

Project Sponsor: City of Miles City

Name of Project: Wastewater System Improvements Project-2014

I, _____, (enter name of Project Engineer) a Registered Professional Engineer in the State of Montana, license number _____, do hereby state that the above-named project was completed according to the approved plans and specifications. I further state that the record ("as-built") drawings for this project are a true and accurate representation of the completed construction.

(Name)

P.E. Number

(Signature)

Date

(Name of firm)

(Address of firm)

FINAL REPORT
CERTIFICATE OF COMPLIANCE

Project Sponsor: RRG-15-1632

Name of Project: Wastewater System Improvements Project-2014

I, the undersigned, being duly qualified, respectfully, of the City of Miles City, in the County of Custer, State of Montana, do hereby certify that the above-named project is in full compliance with all of the covenants and conditions set forth in Grant Agreement Number RRG-15-1632 between the City of Miles City and the State of Montana, Department of Natural Resources and Conservation.

Authorized Signature

Date