

RESOLUTION NO. 2841

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT WITH THE MARYLAND ENERGY ADMINISTRATION FOR THE PURPOSE OF ACCEPTING AND EXPENDING GRANT FUNDS IN THE AMOUNT UP TO \$27,730.

WHEREAS, the Maryland Energy Administration has a Maryland Smart Energy Communities Grant Program with funding through the Strategic Energy Investment Fund; and

WHEREAS, the purpose of the grant program is to encourage local Maryland governments to adopt formal policies and implement projects to encourage energy efficiency, renewable energy development, and reduce reliance on petroleum as a fuel for transportation; and

WHEREAS, the City of Salisbury has adopted a policy to reduce electricity consumption 15% within 5 years of a baseline year use; and

WHEREAS, by adoption of Smart Energy policies and implementation of projects, the City of Salisbury is designated as a Maryland Smart Energy Community and is eligible to receive additional grant funding to implement this policy; and


WHEREAS, the City of Salisbury submitted a grant application for funding to convert 59 City-owned streetlights to more efficient LED bulbs; and


WHEREAS, the Maryland Energy Administration has issued a grant agreement with the City of Salisbury with a grant up to \$27,730 for funding the conversion.

NOW, THEREFORE BE IT RESOLVED THAT, the Council of the City of Salisbury, Maryland does hereby accept the grant funds and authorize Mayor Jacob R. Day to enter into a grant agreement with the MEA and expend the awarded funds accordingly.

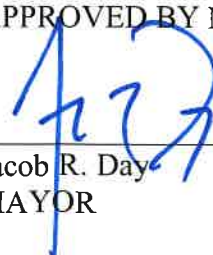
THE ABOVE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on the 29th day of May, 2018 and is to become effective immediately.

ATTEST:


Kimberly R. Nichols
CITY CLERK


John R. Heath
CITY COUNCIL PRESIDENT

APPROVED BY ME this 30th day of MAY, 2018.


Jacob R. Day
MAYOR



City of
Salisbury
Jacob R. Day, Mayor

MEMORANDUM

To: Mayor & City Council
From: Nancy Talbott, Grants Specialist
Subject: MEA Maryland Smart Energy Communities Grant
Date: May 25, 2018

The City of Salisbury has applied for and received grant funding from the Maryland Energy Administration to replace 59 streetlights in Salisbury city limits. These streetlights will be converted from high-pressure lights at 250 watts each to more efficient, 89-watt LEDs. The City of Salisbury received \$27,730 in order to fund the necessary labor, equipment, and materials for this project.

This award is a continuation of a program that has already converted over 100 streetlights and will support Salisbury's designation as a Maryland Smart Energy Community.

Attached please find a copy of the grant award letter and grant agreement. If you have any questions or concerns, please feel free to contact me.



Maryland
Energy
Administration

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
Mary Beth Tung, Director

April 27, 2018

Mr. William White
Engineering Technician
City of Salisbury
125 N. Division Street Room 202
Salisbury, MD 21801

Dear Mr. White,

Enclosed are two copies of the Maryland Smart Energy Communities grant agreement 2018-14-420S1 between the city of Salisbury and the Maryland Energy Administration. Please have both copies signed and **return both signed copies of the agreement by May 10** to the Maryland Energy Administration. In addition to the hard copies, you may send a signed e-mail copy to MSEC.MEA@Maryland.gov. When the grant agreement is fully executed, you will receive a copy.

If you have any additional questions, please feel free to call Caitlin Madera at (410) 537-4074. Thank you for your cooperation.

Sincerely,

Sherrell Moore
Financial Specialist

Cc: Caitlin Madera

**MARYLAND SMART ENERGY COMMUNITIES
GRANT AGREEMENT
(Existing Maryland Smart Energy Communities)**

**STATE OF MARYLAND
MARYLAND ENERGY ADMINISTRATION
1800 Washington Blvd, Suite 755
Baltimore, MD 21230**

hereinafter "MEA"

and

**Fiscal Year 2018 Existing Maryland Smart Energy Community:
City of Salisbury
125 N. Division Street, Salisbury, MD 21801**

hereinafter "Grantee"

PREMISES

The Maryland Energy Administration ("MEA") administers the Strategic Energy Investment Program set forth in Md. Code Ann., State Government §§ 9-20B-01 et seq. ("SEIF Statute") as a component of its overall mission to reduce energy demand and increase energy efficiency and the use of renewable energy resources. MEA has established the 2018 Maryland Smart Energy Communities (MSEC) Grant Program (the "Program") pursuant to the authority provided in in the SEIF statute. The MSEC Grant Program is funded through the Strategic Energy Investment Fund (SEIF). The purpose of the Program is to encourage local Maryland governments, including counties and municipalities, to voluntarily adopt formal policies promoting energy efficiency, renewable energy development, and/or reduction of reliance on petroleum as a transportation fuel, and to implement projects to achieve the objectives of such policies.

To implement this purpose, the Program has two separate but related funding components, policy development and project development. Under the policy development component, the local jurisdiction is responsible for developing and formally adopting written policies (e.g., promulgation of a local law, regulation, ordinance, resolution, and executive order) that promote at least two of the following: energy efficiency and conservation, the development of renewable energy resources, or the reduction of dependency on petroleum as a transportation fuel. Also, the Grantee must

take certain steps demonstrating the Grantee's formal commitment by designing and implementing at least one project approved by MEA that effectuates at least one of the policy goals adopted as part of the Program. Grantee has complied with the requirements for a New MSEC, which includes the development and formal adoption of policies and has received funding under an MSEC FY14 Program grant to retrofit City-owned streetlights and FY15 Program funding was given to develop a pilot program for propane powered city-owned vehicles in furtherance of its commitment to reduce municipal petroleum consumption. Grantee was awarded in FY17 to upgrade fifty 400 watt streetlights and fixtures with more efficient LED lights and fixtures.

MEA issued a notice of opportunity for funding for Existing MSECs on October 18, 2017 and, upon evaluating Grantee's application of a project concept to carry out energy-efficiency and renewable-energy generation projects, MEA has determined that Grantee is eligible for an award in FY 2018 as an Existing MSEC and has selected the Grantee to receive a grant award, as defined herein, subject to Grantee complying with all requirements, terms and conditions of this Agreement and the Grant Program.

NOW, THEREFORE, the parties hereby agree as follows:

1. Purpose of Grant

The purpose of this Maryland Smart Energy Communities Grant (the "Grant") to Grantee, as an Existing MSEC, is to provide technical assistance and funding to assist Grantee in the development of the project to (1) replace 59 high-pressure sodium streetlights at 250 watts each to more efficient 89 watt LEDs (referred to as "the Project"). MEA will approve the final project scope using the MEA MSEC Project Approval Form (Attachment A).

2. Project Description and Costs Eligible for Reimbursement

A. Project Description Consistent with the requirements set forth in this section, Grantee shall develop and submit to MEA for approval a detailed proposal for each proposed project for which it requests funds under this Agreement.

(i) Attachment A Submission

(a) By October 1, 2018, Grantee shall submit to MEA a completed Attachment A "MSEC Project Development Form" and any necessary supporting documentation requested by MEA, as specified herein, unless a request for an Attachment A deadline extension is submitted to MEA by September 10, 2018 and approved in writing by the MEA Program Manager.

(b) Detailed Project information, including but not limited to actual vendor pricing and detailed project savings estimates, is necessary to determine if the final Project scope meets all Program requirements.

(c) Unless a modification is approved in writing prior to submittal, MEA will not approve a project if the information submitted in Attachment A is inconsistent with either the Project described in Grantee's application or the allowable uses of the Program. MEA Project approval is dependent on an MEA determination that the Project, as set forth by Grantee in Attachment A, meets all Program requirements. If Grantee anticipates any deviation from the original project described in Grantee's application, Grantee must consult with the MEA Project Manager prior to December 20, 2018.

(ii) MEA Approval

(a) After MEA review and determination that the proposed Project described in Attachment A meets all Program requirements, MEA will provide Grantee with a completed "Project Approval Form" (Attachment B) describing the MEA approved project eligible for funding ("the Approved Project").

(b) Project funding is available only after MEA has completed its review and provided Grantee with a Project Approval Form.

(c) Once MEA has issued a Project Approval Form (Attachment B), additional measures not specifically included in Project Approval Form are *not* eligible for funding under this Agreement.

(d) The completed Project Approval Form shall be incorporated into this Agreement as Attachment B. Attachment B (Approved Project) shall not contain any terms or conditions other than a Project Description and Project Completion timeline. If Attachment B (Approved Project) contains any terms and conditions other than a Project Description and Project Completion timeline, such terms and conditions are not incorporated into this agreement, and are not agreed to by MEA. In the event of any conflicts between Attachment B (Approved Project) and this Agreement, the terms of this Agreement shall control.

(iii) When applicable, prior to beginning any feasibility study, the Grantee shall first gain approval by MEA. The Grantee shall show how each measure can be installed within 5 years of the Baseline year and the need for the feasibility study before embarking on a project.

(B) Project Requirements

(i) To be funded as an MSEC energy efficiency and conservation and a Renewable project, an Approved Project shall be cost effective, which is defined as having a simple payback time that is less than the useful life of the Project.

(ii) For an MSEC Renewable Energy Generation project, it also shall provide substantial electricity generation so that Grantee may make significant progress in meeting its electricity consumption reduction goal.

(iii) For an MSEC Energy Efficiency project, it also shall provide substantial electricity savings so that Grantee may make significant progress in meeting its electricity consumption reduction goal.

(iv) MEA shall have the complete and sole discretion to determine if a proposed project or an Approved Project meets the Program requirements.

(C) Reimbursable Costs Only those costs or expenditures specified below are eligible for reimbursement under this Grant.

(i) Direct Project Costs –At least 70% of the Grant Award shall be for reimbursement of approved expenditures associated with the Approved Project such as labor, equipment and material.

(ii) Project Preparation Costs - Only up to 30% of the Grant Award may be used to reimburse the local jurisdiction for approved expenditures associated with: the development and adoption of Policies, Plans or Baselines; Project design and development; feasibility studies; energy audits; reasonable administrative costs; staff time or consultant fees.

(iii) Administrative Costs – Additionally, within the Project Preparation Costs, administrative costs are capped at no more than 10% of the total amount of the Grant. Reasonable administrative costs may include staff time or non-energy auditing consultant's fees needed to implement MSEC programmatic activities. If Grantee uses less than 10 percent of the total amount of the grant for Administrative Costs, Grantee may use the remaining portion for other Policy and Project Preparation Costs, consistent with this section.

(D) Program Timing and Deadlines Grantee shall comply with the following deadlines unless an extension is given in writing by the Program Manager, consistent with this Agreement.

(i) By October 1, 2018 - Grantee shall submit to MEA a completed Attachment A "MSEC Project Development Form".

(ii) By July 6, 2019 - Grantee shall complete the Project(s) approved by MEA and specified on the completed Project Approval Form.

(iii) By August 3, 2019 – Grantee shall submit to MEA all Reports and final invoices requesting Program cost reimbursements consistent with Section IV (B).

(iv) Extensions may be requested in writing in advance of a deadline, but are not guaranteed. Extensions shall only be permitted for good cause shown, such as circumstances outside of Grantee's control, as determined solely by MEA in writing. Extensions shall not be granted for any energy measures not listed in Section 1 of this Agreement.

(E) Program Requirements and Restrictions

(i) No Project may begin until after each of the following occurs:

(a) Grantee submits to MEA a completed MSEC Project Proposal Form, attached hereto as Attachment A;

(b) MEA's historic preservation specialist determines that the Project will have no adverse effect on historic properties;

(c) Grantee receives the MSEC Project Approval Form, attached hereto as Attachment B, signed by MEA; and,

(d) Grantee has obtained all required local, State and federal licenses, permits, and other authorizations.

(ii) A project proposed for facilities or property owned by the Grantee shall be given priority. A project proposed for facilities or property not owned by the Grantee may be considered for approval by MEA, but funding for such projects are not guaranteed.

(iii) Failure to formally adopt the Policies or complete the Project by the deadlines set forth herein may result in Grantee having to reimburse Grant funds to MEA, unless such delay is caused by factors outside of Grantee's control, as determined by MEA.

(iv) MEA does not intend to fund energy efficiency projects that involve fuel switching. The decision to fund a project shall be at the sole discretion of MEA.

(v) If at any time MEA determines that Grantee has not demonstrated sufficient progress toward meeting the Policy and Project deadlines set forth above, MEA may

terminate this Agreement and may require that Grantee reimburse Grant funds to MEA, unless such delay is caused by factors outside of Grantee's control.

(vi) Expenditures on Policy or Project development, Plans or Baselines that have not been pre-approved in writing by MEA may not be reimbursed with Grant funds.

(vii) Reports and Invoices with appropriate documentation received by MEA after any applicable deadline may not be eligible for reimbursement with Grant funds, as determined by MEA.

(viii) All Projects must be constructed, installed and operated in compliance with all applicable local, State and federal laws, regulations, ordinances, licenses, permits, standards, and other requirements.

(ix) Grantee must comply with any procurement requirements that may apply to it with regard to Grant Program activities for which reimbursement is sought.

(x) Grantee shall cooperate with MEA and MEA's technical contractor(s) to identify and develop the most appropriate Project scope of work for this Program.

(a) The primary purpose of a proposed energy efficiency project must be to reduce electricity consumption, as determined solely by MEA

(b) The primary purpose of a proposed renewable energy project must be to increase the consumption of renewable electricity, as determined solely by MEA

(c) The primary purpose of a proposed transportation energy project must be to decrease the consumption of traditional transportation petroleum, as determined solely by MEA

(d) Grantee shall work diligently to develop credible project-specific data estimates on project costs and energy savings through a project bid and/or energy audit, or other appropriate means approved in writing by MEA.

(e) Grant funds may not be used for a project where the primary purpose of which is "maintenance", as determined solely by MEA.

(xi) Any rebates and incentives obtained through the Grantee's electric utility shall be applied to Grant Program costs before use of Grant funds.

(xii) All new construction must occur in a Priority Funding Area. A map of Priority Funding Areas, including a search by address feature, can be found on the Maryland Department of Planning website: <http://www.mdp.state.md.us/OurProducts/pfamap.shtml>. Priority Funding Areas

are existing communities and places where local governments want State investment to support future growth. The following areas qualify as Priority Funding Areas:

- (a) Every municipality, as they existed in 1997;
- (b) Areas inside the Washington Beltway and the Baltimore Beltway; or
- (c) Areas already designated as enterprise zones, neighborhood revitalization areas, heritage areas and existing industrial land.

3. Amount and Duration

(A) Amount of Grant Award

- (i) The Total Grant Award shall be **up to Twenty-Seven Thousand Seven Hundred Thirty Dollars (\$27,730)**, to be used for energy efficiency projects under grant 2018-14-420S1. As of the Effective Date of the Agreement as defined below, Grantee may also use up to 30% of the Grant Award for Policy and Project Preparation Costs that are pre-approved by MEA in writing and consistent with Article 2. Policy and Project Preparation Costs that are not pre-approved by MEA in writing shall not be reimbursed by MEA.
- (ii) The total amount of the Grant shall be used for the Approved Project.
- (iii) Grantee shall be responsible for twenty percent (20%) of the total project cost. MEA will only reimburse up to eighty percent (80%) of the total project cost.

(B) This Agreement must be signed by the Grantee and received by MEA no later than May 10, 2018. If this properly signed Grant Agreement is not received by MEA on or before May 10, 2018, the grant award shall automatically be revoked, and this Agreement is void unless an extension is given in writing by the MEA Program Manager.

(C) The Effective Date of this Agreement is the date that the properly executed Agreement is received by MEA, as determined by the official MEA date stamp on the first page of the Agreement.

(D) Unless an extension is permitted as described below, all activities must be completed by no later than **July 6, 2019** with all required documentation under Section IV (B) completed and submitted to MEA by no later than **August 3, 2019**. Extensions may be requested in writing in advance of a deadline, but are not guaranteed. Extensions shall

only be permitted for good cause shown, such as circumstances outside of Grantee's control, as determined solely by MEA in writing.

4. Reporting and Reimbursement

(A) The Grantee shall retain bills of sale or other satisfactory evidence of the acquisition of any real or personal property, as well as reports, activity logs, timelines, estimated and actual energy savings and/or generated, supporting documentation for any other expenses that are covered in whole or in part by any Grant Funds, and any other information related to Grant activities for at least three years from the date that the Grantee receives final reimbursement from MEA. MEA, MEA's agents, the Department of Budget and Management, the State Comptroller, the Legislative Auditor, or any of them, may examine and audit this evidence on request, at any reasonable time within the retention period. In addition, the Grantee shall also make the worksite available to MEA, or its agents, upon request at any reasonable time for at least three years from the date that the Grantee receives final reimbursement from MEA.

(B) Program Reporting and Invoicing.

(i) Separate Expenditure Categories. When a Grant Award is divided into separate expenditure categories (energy efficiency, renewable development, or petroleum reduction), Grantee shall maintain records separately for each distinct category. In addition, Grantee shall account for and invoice MEA separately for each distinct category.

(ii) Reporting. Grantee shall submit MSEC reports ("Reports") to MEA on a monthly basis. Reports and Invoices are due to MEA by the 20th day of the month following the previous month's reporting period. The first monthly Report shall be submitted for the first full month following the Effective Date, as defined above, and for each month thereafter.

(a) For any month that Grantee submits an invoice to MEA, Grantee shall also provide a completed report using Attachment C (Maryland Smart Energy Communities Grant Program Invoice Report). For any month that Grantee does not submit an invoice to MEA, Grantee shall submit a brief written summary of MSEC progress during the last month.

(b) Reporting shall continue until the Project described in Section 1(A) is complete, Grant funds have been completely expended, or the Grantee has notified MEA in writing that no additional funding will be requested under the Grant.

(ii) Invoicing and Reporting.

(a) To be reimbursed, Grantee shall provide invoices, a completed Maryland Smart Energy Communities Grant Program Invoice Report (Attachment C) and relevant documentation.

(b) MEA may only provide Grant funds for reimbursement after receipt of appropriate invoices and reports with sufficient documentation of expenditures, as determined by MEA and consistent with Article 2(B). Such documentation may include but is not limited to, contractor and/or vendor invoices, receipts, detailed timekeeping records including at a minimum, hourly rate, time, and task, and detailed mileage logs.

(c) All Invoices shall be submitted on Grantee letterhead. All invoices shall contain the MEA Grant number, Grantee contact information, and a detailed description of the equipment, material, and/or labor or other expenses being invoiced. No personally identifiable information (PII) shall be submitted to MEA as part of the invoicing documentation.

(d) MEA will reimburse Grantee for approved costs only after any incentives provided by Grantee's utility have been applied to the total cost of the Project. Grant Award is to be used for net costs, after application of utility rebates and incentives.

(C) Grantee may submit Reports, Invoices and other documents electronically to MSEC.MEA@maryland.gov after obtaining authorization in writing from MEA. If authorization has not been obtained, Grantee shall mail Reports, Invoices and other documents to MEA at the following address:

**Maryland Energy Administration
Attn: Maryland Smart Energy Communities Program
1800 Washington Blvd, Suite 755
Baltimore, MD 21230**

After review of the Reports, Invoices and any supporting documents or information requested by MEA, MEA shall make a final determination of whether the Grantee has met all Program requirements, terms and conditions, and process the grant award for payment as promptly as possible, if warranted. Grant funds shall not be provided for work that has yet to be performed, costs that have yet to be incurred or are not sufficiently documented, or are inconsistent with the purpose, terms and conditions of the Grant.

(D) For monitoring and evaluation purposes, the Grantee shall make available to MEA, or its agents, all reports, activities logs, work sites, timelines, estimated and actual energy

savings and/or generated, or other information related to the Grant activities during regular business hours. Reporting metrics (electricity consumption data) shall be made available by the grantee to MEA for a period of five years after the project for which grant funding is received.

- (E) No grant monies will be funded for costs or obligations incurred, or work performed, prior to the Effective Date of this Agreement.
- (F) Prior to execution of this Agreement, Grant funds are subject to change in amount and existence based on funding availability.
- (G) Multiple renewable projects on contiguous parcels of property will be considered one Project for purposes of MEA funding.
- (H) An Approved Project may not receive more than one Maryland Smart Energy Communities grant from MEA.
- (I) Projects must be located within the State of Maryland.

5. General Conditions

(A) Any expenditure of Grant funds that is not consistent with the purposes of the grant award, or that violates any requirement, term or condition of the Grant Program or this Agreement, may, in the sole judgment of MEA, be disallowed. Should any expenditure be disallowed, the State may require repayment to MEA for reimbursement of the Strategic Energy Investment Fund, an offset from any State grant to the Grantee in the current or succeeding fiscal year, or other appropriate action. The Grantee shall immediately repay to the State any part of the Grant that is not used for the purposes of the Program.

(B) Grantee may not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or any other characteristic forbidden as a basis for discrimination by applicable laws, and certifies that its Constitution or by-laws contains a non-discrimination clause consistent with the Governor's Code of Fair Practices.

(C) Grantee shall ensure that all work performed pursuant to the Grant and this Agreement is completed by contractors and/or staff holding all necessary certifications and licenses. Grantee shall ensure that any business or non-profit organization operating in Maryland with which Grantee contracts or partners to carry out the purposes of the Grant is registered and in good standing with the Maryland State Department of Assessments and Taxation, if applicable. Additionally, all work performed pursuant to the Grant shall comply with all applicable local, State, and federal building codes and other applicable laws and regulations.

(D) The person executing this Agreement on behalf of the Grantee certifies, to the best of that person's knowledge and belief, that:

(i) The person is authorized to sign this Agreement on behalf of the Grantee and to commit the Grantee to the obligations set forth herein.

(ii) Neither the Grantee, nor any of its officers or directors, nor any employee of the Grantee involved in obtaining contracts with or grants from the State or any subdivision of the State, has engaged in collusion with respect to the Grantee's application for the Grant or this Agreement or has been convicted of bribery, attempted bribery, or conspiracy to bribe under the laws of any state or the United States.;

(iii) Neither the Grantee, nor any of its officers or directors, nor any employee of the Grantee has engaged in any practice with regard to this Grant that is inconsistent with Md. Code Ann., State Finance and Procurement § 13-212.1.

(iv) Grantee has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for the Grantee, to solicit or secure the Grant or this Agreement, and the Grantee has not paid or agreed to pay any such entity any fee or other consideration contingent on the making of the Grant or this Agreement.

(v) Grantee, if a business or non-profit organization, is incorporated or is registered to do business in the State, and is in good standing with the Maryland State Department of Assessments and Taxation.

(vi) Grantee, if a health or social welfare organization as defined by Md. Code Ann., State Finance and Procurement § 7-403, shall keep financial records in accordance with uniform accounting standards, as more fully described in § 7-403.

(vii) Neither the Grantee, nor any of its officers or directors, nor any person substantially involved in the contracting or fund-raising activities of the Grantee, is currently suspended or debarred from contracting with the State or any other public entity or subject to debarment under Regulation 21.08.04.04 of the Code of Maryland Regulations; and

(viii) The Grantee is not in default on any financial obligation to the State or MEA.

6. False Statement

A person may not knowingly make or cause to be made any false statement or report in any document required to be furnished by MEA in relation to the Grant Program. For a SEIF-funded Grant, any violation of this provision is a misdemeanor and on conviction is

subject to a fine not exceeding \$50,000.00 or imprisonment not exceeding 1 year or both (Md. Code Ann., State Government § 9-20B-11).

7. Historic Preservation Review

For each project being funded in whole or in part through this Agreement, a historic preservation review must first be completed by the Maryland Historical Trust (MHT) or MEA's historical preservation expert. This review ensures that no historical property is "adversely affected" through this Program. Prior to starting construction, Grantee shall assure that MEA has received documentation from MHT or MEA's historical preservation expert indicating that the Project will have no adverse effect on a historical property.

8. Maryland Saved Harmless

To the extent allowed by Maryland law, the Grantee agrees to defend, indemnify and hold MEA harmless from and against any and all damages, claims, lawsuits, actions, and reasonable out-of-pocket costs and expenses, in whatever form, arising from or related to the Grant. MEA expressly reserves the right of any immunity MEA or its employees may possess under State or federal law. If the Grantee is a Maryland State agency or local government, then each party shall be responsible for its own liability associated with the Grant, and neither party waives any applicable immunities.

9. Environmental Standards and Liability

The Grantee shall ascertain and abide by all applicable environmental standards set by federal, state or local laws, rules or regulations related to the performance of the obligations pursuant to the Agreement ("Environmental Standards"). The Grantee shall monitor its compliance with Environmental Standards and immediately halt and correct any incident of non-compliance.

In the event of any incident of non-compliance with Environmental Standards, the Grantee shall:

- (A) Give MEA immediate notice of the incident to the MEA Representative named in Section 16 of the Grant Agreement, or designee, providing as much detail as possible;
- (B) If requested by MEA, submit a written report to MEA, identifying the source or cause of the non-compliance and the method or action required to correct the problem; and
- (C) Cooperate with MEA or its designated agents or contractors with respect to the investigation of such problem.

To the limits allowed by Maryland law (and without waiving any local or State government immunities that may apply if Grantee is a Maryland State or local government), the Grantee shall be liable for (i) all environmental losses, including but not limited to, costs, expenses, losses, damages, actions, claims, penalties, fines and remedial or cleanup obligations arising from its failure to comply with Environmental Standards; and (ii) any hazardous material located or placed in the Project and any requirements imposed by any governmental authority with respect to hazardous materials, arising in connection with the Grant or the Project.

10. Liability Insurance

(A) For all work performed by the Grantee that is to be funded in whole or in part with Grant funds provided by MEA, Grantee shall purchase and maintain comprehensive third-party legal liability insurance or its equivalent, with minimum coverage of \$1,000,000 per occurrence. Grantee shall also maintain other such insurance as is appropriate for the work to be performed. For a Maryland State or local government entity that is self-insured, a document detailing the statutory basis for self-insurance may be accepted by MEA as an equivalent form of insurance under this paragraph.

(B) All insurance must name MEA as an additional insured. The insurance provided shall include, but not be limited to, insurance protecting MEA from bodily injury and property damage, including, but not limited to all workers' compensation insurance, and errors and omissions. Grantee shall maintain insurance documentation in a Grantee-owned facility and shall provide to MEA, upon demand, a certificate or other documentation deemed appropriate by MEA, evidencing MEA's status as an additional insured.

(C) Insurance requirements may be waived or modified by MEA in writing, for good cause shown. Any such written waiver or modification shall be signed by the parties, and attached hereto and incorporated herein as part of this Agreement.

(D) Grantee shall include in all of its contracts for work that is to be funded in whole or in part with Grant funds provided by MEA a provision or provisions requiring all contractors to purchase and maintain comprehensive third-party legal liability insurance and other such insurance as is appropriate for the work to be performed, with minimum coverage of 1,000,000 per occurrence. All insurance provided by the contractor must name MEA as an additional insured. The insurance provided shall include, but not be limited to, insurance protecting MEA from bodily injury and property damage, including, but not limited to all workers' compensation insurance, and errors and omissions.

(E) Grantee shall maintain insurance documentation in a Grantee-owned facility and shall provide to MEA, upon demand, a certificate or other documentation deemed appropriate by MEA, evidencing MEA's status as an additional insured. Insurance requirements may be waived by MEA in writing, for good cause shown. Any such written

waiver or modification shall be signed by the parties, and attached hereto and incorporated herein as part of this Agreement.

11. MEA Access to Project Site and Ability to Use Project Information

(A) Grantee shall allow MEA employees or representatives access to the relevant building and structures so that MEA may perform monitoring visits to provide technical assistance and to ensure that project requirements are fully satisfied. Grantee shall also allow MEA employees or representatives access to the relevant project site in order to take photographs or video of the project for MEA use.

(B) Within 90 days of the date of this Agreement, Grantee shall confer with MEA to determine the feasibility of displaying signage indicating MEA sponsorship, at or near each site location where Grantee is undertaking work for the Project. If MEA and Grantee determine that placement of signage is feasible, Grantee shall place MEA signage in a prominent location at or near each site location. MEA signage shall not exceed 36 by 48 inches and will be provided by MEA.

(C) The Grantee understands and agrees that MEA may use information about the project for reporting and marketing purposes, including but not limited to the project description, building type, energy measures, project costs, leveraged funds, energy and financial savings, and pictures and videos of the premises. MEA shall provide the Grantee an opportunity to review and consult with MEA to assure that a written case study, photo or video taken of its facility will not disclose confidential personal and/or business information.

(D) If the Project's location is owned or controlled by a third party at any time during the Grant period, the Grantee shall be responsible for obtaining written permission from the third party to allow MEA access to the property for all of the purposes described in this Agreement. MEA shall not provide any further reimbursement of funds under the Agreement until Grantee provides the relevant written permission.

12. Maryland Law Prevails

The internal laws of Maryland shall govern the interpretation and enforcement of this Agreement, except for any choice of law provisions utilized by Maryland.

13. Agreement Binding on Successors and Assigns

This Agreement shall bind the respective successors and assigns of the parties.

14. Assignment or Transfer

The Grantee may not sell, transfer, or assign any of its obligations under this Agreement, or its rights, title, or interest in this Agreement, without further prior written consent of MEA.

15. Amendments to the Grant

No amendment to this Agreement is binding unless it is in writing and signed by both parties.

16. Party Representatives

The following individuals shall have the authority to act under this Agreement for their respective parties, subject to all necessary approvals:

Caitlin Madera, MSEC Program Manager
Maryland Energy Administration
(410) 537-4074

(Or any other such person as may be designated in writing by the Director of MEA.)

William White, Engineering technician
City of Salisbury
(301) 366-1402

(Or any other person as may be designated in writing by the Grantee's Director of Department of Infrastructure & Development)

17. Merger

This Agreement and any terms and conditions expressly incorporated by reference herein embodies the whole agreement of the parties. There are no promises, terms, conditions, or obligations referring to the subject matter, other than those contained herein or incorporated herein by reference.

14. Non-waiver of Rights: Remedies

No failure on the part of the State or MEA to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude the State or MEA from further exercising that or any other right. The remedies provided under this Agreement are cumulative and not exclusive of any remedies provided by law.

THIS GRANT AGREEMENT HAS BEEN APPROVED BY THE ATTORNEY GENERAL'S OFFICE AT MEA. NO CHANGES, MODIFICATIONS, ADDITIONS OR DELETIONS TO THIS AGREEMENT ARE AUTHORIZED ABSENT SPECIFIC WRITTEN AGREEMENT BY THE PARTIES AND APPROVAL BY THE ATTORNEY GENERAL'S OFFICE AT MEA. ANY UNAUTHORIZED CHANGES, MODIFICATIONS, OR DELETIONS TO THIS FORM AGREEMENT WILL RENDER MEA'S OBLIGATIONS UNDER THIS AGREEMENT VOIDABLE AT MEA'S ELECTION.

IN TESTIMONY WHEREOF, WITNESS the hands and seals of the parties.

CITY OF SALISBURY

By: _____
Jacob Day
Mayor

Date: _____

By: _____
Amanda Pollack, P.E.
Director of Department of Infrastructure & Development

Date: _____

By: _____
Jack Heath
City Council President

Date: _____

MARYLAND ENERGY ADMINISTRATION

By: Mary Beth Tung
Mary Beth Tung
Director

Date: April 27, 2018

Approved for Form and Legal Sufficiency

this 26th day of April, 2018
[Signature]
Assistant Attorney General

*Attachment A***MSEC Project Development Form (FY18)***(This form denotes the information necessary to approve an MSEC funded project.)*

1. Name of Grantee	
2. Policies Passed:	
<input type="checkbox"/> Energy Efficiency <input type="checkbox"/> Renewable Energy <input type="checkbox"/> Transportation Petroleum Reduction	
3. Grant Amount	
Total FY18 Grant Amount:	
a. Direct Project Costs: At a Minimum , at least 70% of the total grant amount needs to go towards direct project costs	
b. Policy and Project Preparation Costs: Maximum of 30% of total grant amount	
4. Project Address (or addresses, for multiple locations)	
5. Project Type	
<input type="checkbox"/> A project focusing solely on energy efficiency (i.e., a lighting upgrade, adding insulation, etc.) <input type="checkbox"/> A project focusing solely on renewable energy/clean transportation (i.e., adding solar panels to your roof) <input type="checkbox"/> A project which combines energy efficiency and renewable energy/clean transportation	
6. Amount of Grant Funds Requested Per Project and Per Funding Track (e.g. energy efficiency, renewable energy, or transportation petroleum reduction). *For each project, please provide a breakdown of costs (e.g. equipment, material, labor, etc.) based on actual pricing obtained through your community's procurement process.	
7. Project Narrative (For multiple projects, please include one narrative per project):	

8. Total Project Cost, Other Sources of Funding (e.g. Jurisdiction Match, Rebates, Other Grants, etc.). For multiple projects, please provide complete information for question 8 on a project-by-project basis.

9. Annual Energy Benefits Calculation/Estimate (e.g. kWh reduced, kw installed, gallons reduced) and Source of Energy Estimates

*Before approving any project, MEA must have a detailed estimate of projected energy savings that shows all assumptions, calculations, etc. If relying on an audit for projected energy savings, the audit should be submitted with this form. Calculations can be shown below or attached in a separate spreadsheet. Any project with incomplete or unsubstantiated energy savings estimates will not be approved. Energy efficiency project are required to be cost effective, with a simple payback (section #11) being less than the anticipated equipment life (section #10).

10. Expected Life of the Installed Equipment

11. Simple Payback of the Measures (e.g. Total project cost/annual anticipated energy savings)

12. Electricity/Fuel Cost Information	
Electric utility provider and cost of electricity, \$/kWh	
Building fuel oil cost (\$/gallon)	
Natural gas utility provider and cost of natural gas (\$/MMcf)	
Propane cost (\$/gallon)	
Gasoline cost (\$/gallon)	
Diesel cost (\$/gallon)	
Other fuels not listed above (please specify):	
13. Utility Rebates (if applicable):	
14. Documentation of Maryland Historic Trust Review (if applicable)	

Attachment B

(To be completed by MEA and provided to the Grantee, once the project has been approved)

Maryland Energy Administration
Maryland Smart Energy Communities Program

MEA MSEC Project Approval (FY18)

The _____ has been approved to commence with the Maryland Smart Energy Communities Project Proposed in Attachment A, as modified by MEA, if necessary, in the Scope of Work section, below. The project has been determined to comply with the following requirements of the Maryland Smart Energy Communities program (all requirements must be met before proceeding):

- ☐ Reviewed to confirm that the proposed project is eligible to receive MSEC funds based on the terms of the Agreement.
- ☐ Reviewed to verify that the project will cost effectively reduce electricity consumption and/or generate clean energy and/or reduce petroleum consumption.
- ☐ Reviewed and determined that the proposed project will have "no adverse effect" on any historic property.
- ☐ Reviewed to confirm that the Grantee has in place baselines and plans for the two policies they chose to pursue, and has adopted formal, written policies through their legislative or governing body committing the local government to the policies specified in the Policy Guidance Documents

DETAILED SCOPE OF WORK (Project address(es), detailed description of energy measure(s) to include system efficiency information (e.g., SEER rating, motor efficiency, etc.), if applicable):

Project Reporting Metrics:

EXPECTED USEFUL LIFE (YEARS): _____

PAYBACK (YEARS, attach calculations as appropriate): _____

Approved by:

Maryland Energy Administration

Signature

Date

Revised 11/26/17

Attachment C

Maryland Smart Energy Communities Grant Program Invoice Report (FY18)

Instructions: Please complete and forward the MSEC Invoice Report to MEA along with the corresponding invoice requesting MSEC reimbursement.

1. Local Government Name and Address:	2. Name/ Title/Phone Number of Report Submitter:	
3. Congressional District:	4. Address of Project (if different than the address shown above)	
5. Reporting Period Month: _____ Year: _____ Is this the final MSEC Invoicing report? <input type="checkbox"/> Yes <input type="checkbox"/> No	6. MEA Grant Number:	
7. Local Government Invoice Number (if invoices are being submitted to MEA for payment)		
8. MSEC Grant Expenditures Please indicate the amount of MSEC grant funds spent during a. the reporting period and b. over the course of the project to date. Please note that if you are receiving funding from multiple funding categories, as specified in Section III of the Grant Agreement, you must track, invoice, and report this funding stream separately.		
a. MSEC Grant Dollars Spent during this <u>Reporting Period</u> (\$)	Direct Project Costs (minimum 70% of total Grant amount):	
	Policy and Project Preparation Costs (maximum 30% of total Grant amount):	
	Total grant funds requested, this reporting period (this number should match the invoiced amount):	
b. MSEC Grant Dollars <u>Spent to date</u> (\$)	Direct Project Costs (minimum 70% of total Grant amount):	

	Non-Project Costs (maximum 30% of total Grant amount):	
	Total grant funds requested, spent to date (this number should match the invoiced amount):	
9. Non-MSEC Grant Expenditures		
a. Utility Rebates, by energy measure (\$) (if applicable)	b. Other Project Expenditures (\$) Please include description and the \$ amount (e.g., community matching funds)	
10. Policy Status Update		
a. Provide a brief narrative of the status of the baselines, plans, and policies required under this program.	Energy Efficiency:	
	Renewable Energy:	
	Transportation Petroleum:	
11. Project Status Update		
a. Provide a brief narrative of project milestones and/or accomplishments achieved during the reporting period.		
b. Were any obstacles encountered during the reporting period? If so, please explain.		
12. Is this your final report? <input type="checkbox"/> Yes <input type="checkbox"/> No		
13. Reporting Metrics: The required project reporting metrics are listed below.		

A. Jobs created (Hours worked) Required Please report the total number of hours worked (and paid for using Grant funds) by Grantee staff, contractors, and vendors	
B. Energy Cost Savings (\$ saved per year due to project) Required	
C. Building Energy Savings Required for all energy efficiency projects	
i. Reduction in annual electricity consumption (MWh)	
ii. Reduction in annual fuel oil consumption (gal)	
iii. Reduction in annual natural gas consumption (MMcf)	
iv. Reduction in annual propane consumption (gal)	
v. [Insert other measure]	
vi. [Insert other measure]	
D. Renewable Energy Capacity and Generation Required for all renewable energy projects	
i. Amount of electricity generated by photovoltaic systems (MWh) annually	
ii. Amount of electricity generated by wind systems (MWh) annually	
iii. Amount of electricity generated by other renewable systems (MWh) annually	

iv.	Installed photovoltaic system capacity (MW)	
v.	Installed wind capacity (MW)	
vi.	Installed capacity of all other renewable systems (MW)	
vii.	[Insert other measure]	
E. Transportation-Related Energy Savings <i>Required for all transportation petroleum reduction projects</i>		
i.	Reduction in annual gasoline consumption (gal)	
ii.	Reduction in annual diesel consumption (gal)	
iii.	[Insert other measure]	
iv.	[Insert other measure]	
F. Building Retrofits (number of buildings) – Required		