

RESOLUTION NO. 1964

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND TO ACCEPT MARYLAND WATER SUPPLY PROGRAM FY11 CAPITAL BUDGET GRANT FUNDS FOR THE CONSTRUCTION OF THE MILFORD STREET POTABLE WATER STORAGE FACILITY AND TO AUTHORIZE THE MAYOR TO SIGN A COST SHARE AGREEMENT WITH THE MARYLAND DEPARTMENT OF THE ENVIRONMENT ON THIS PROJECT.

WHEREAS, the City of Salisbury desires to improve the City's water distribution systems by providing additional potable water storage in the southern part of town; and

WHEREAS, the City applied for funding through the Maryland Water Quality Financing Administration's State Revolving Loan Fund Program to construct the Milford Street Potable Water Storage Facility project; and

WHEREAS, the City received notification by the Maryland Department of Environment that grant funds were available through the Water Supply Program FY11 Capital Budget; and

WHEREAS, the City has been allocated at least \$630,000.00 Water Supply Program Grant for partial funding of this project; and

WHEREAS, actual funding will not become available until all financial arrangements are made with the Maryland Water Quality Financial Assistance Administration; and

WHEREAS, City policy requires that grant funds can only be accepted with the approval of City Council; and

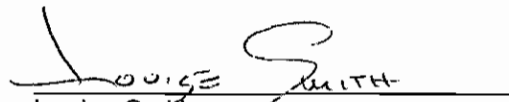
WHEREAS, the City of Salisbury Department of Public Works supports the need to construct the Milford Street Potable Water Storage Facility project;

NOW, THEREFORE, BE IT RESOLVED that the Salisbury City Council accepts the Maryland Water Supply Program Grant funds of at least \$630,000.00 for the construction of the Milford Street Potable Water Storage Facility project under the terms outlined in the grant and authorizes the Mayor to sign a cost share agreement with the Maryland Department of the Environment on this project.

THE ABOVE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on the 13th day of September, 2010 and is to become effective immediately upon adoption.

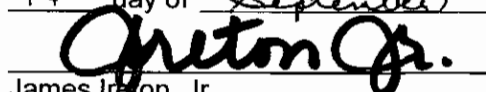
ATTEST:


Brenda J. Colegrove
CITY CLERK


Louise Smith
PRESIDENT, City Council

APPROVED BY ME THIS

14th day of September, 2010


James Ireton, Jr
MAYOR, City of Salisbury

City of Salisbury



JAMES IRETON, JR.
MAYOR

JOHN R. PICK
CITY ADMINISTRATOR

LORÉ CHAMBERS
ASSISTANT CITY ADMINISTRATOR

MARYLAND

125 NORTH DIVISION STREET
SALISBURY, MARYLAND 21801
Tel: 410-548-3170
Fax: 410-548-3107

PUBLIC WORKS
TERESA GARDNER P.E.
DIRECTOR

To: Mr. John Pick, City Administrator

Subject: Milford Street Potable Water Storage Facility Project Grant

Date: August 26, 2010

SPW requests that the attached Resolution and Cost Share Agreement for the acceptance of a \$630,000.00 grant to partially fund the construction of the Milford Street Potable Water Storage Facility project be added to the next available City Council meeting agenda.

The 2008 Water and Wastewater Facilities Plan identified the need for additional finished water storage on the south side of the City to improve water quality and water pressure throughout the City. Based on these findings, SPW applied for MDE funding to build a 1.5 million gallon elevated water storage tank.

To date, the funding sources for this project include:

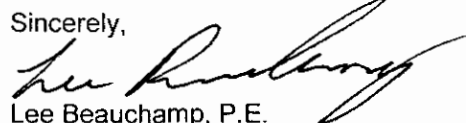
- Maryland Drinking Water State Revolving Fund low interest loan up to \$2,552,000
- \$630,000 Maryland Water Supply Program Grant for a total funding amount of \$3,182,000

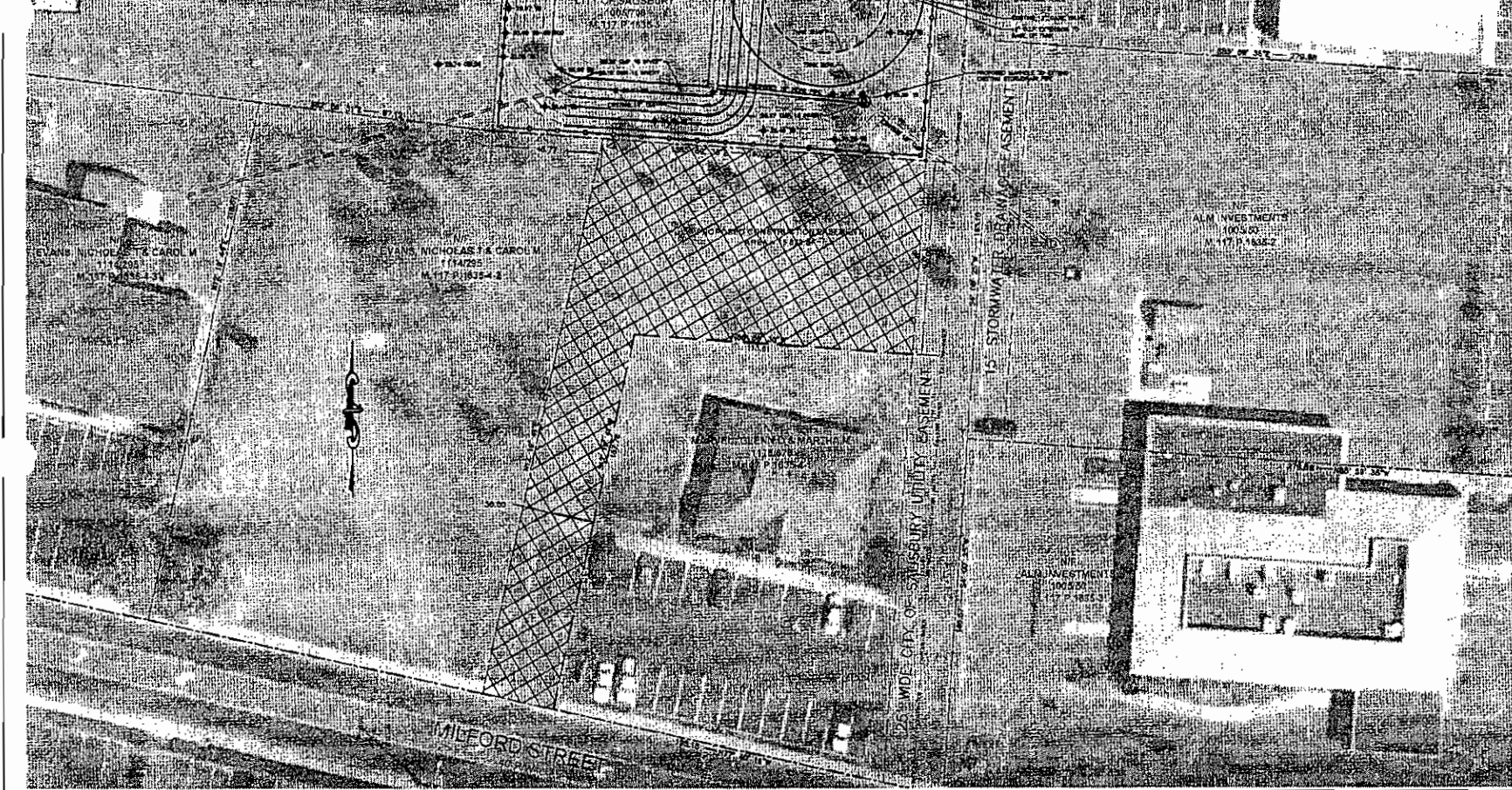
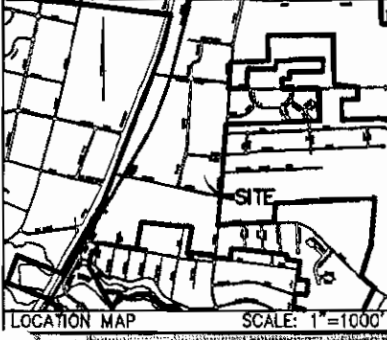
This project includes construction of a new 1.5 million gallon elevated storage tank at the Milford Street site in the southern part of the water system. The Milford Street site is approximately 0.57 acres and is owned by the City. The site is located north of Milford Street between Powers Street, Wayne Street and South Division Street (see the attached site plan). The engineer's estimate for this project is currently \$3,100,000.00.

The City Finance Department is currently working to develop a bond ordinance that will be presented to the City Council to accept the \$2,552,000 loan. In addition to approving the attached Resolution and Cost Share Agreement, SPW requests that the City Council authorize the Mayor to sign the appropriate project documents in the future. Once the resolution is approved, the attached cost-share agreement between MDE and the City will need to be signed by the Mayor and returned to MDE.

For any additional questions you may have, I can be reached at (410) 548-3170 or by e-mail at lbeauchamp@ci.salisbury.md.us.

Sincerely,


Lee Beauchamp, P.E.
Project Engineer



**CITY OF
SALISBURY
PUBLIC WORKS**

125 NORTH BROAD STREET
SALISBURY, MD 21801-0000
PH: 410-538-3120
FAX: 410-538-3197

UNLESS SPECIFIC NOTATIONS OTHERWISE, THIS DRAWING AND ALL INFORMATION CONTAINED HEREIN SHALL BE THE PROPERTY OF THE CITY OF SALISBURY.

14 DEC 2009
LFB

FOR SUT FILED
**SOUTH SIDE
2 MG ELEVATED
WATER TANK**
MILFORD STREET

PROPOSED SITE PLAN

SCALE	1" = 20'
DRAWING FILE	NA
LAST REVISION	DATE
DATE	14 DEC 2009
DRAWN BY	LFB



MARYLAND DEPARTMENT OF THE ENVIRONMENT

1800 Washington Boulevard • Baltimore MD 21230

410-537-3000 • 1-800-633-6101

Martin O'Malley
Governor

Shari T. Wilson
Secretary

Anthony G. Brown
Lieutenant Governor

Robert M. Summers, Ph.D.
Deputy Secretary

JUL - 2 2010

Mr. Lee Beauchamp, Project Engineer
Salisbury Department of Public Works
125 N. Division Street, Room 202
Salisbury, MD 21801

RE: WSG 07.23 Milford Street 2 MG Elevated Water Storage Tank

Dear Mr. Beauchamp:

Enclosed please find a cost-share agreement, between the Maryland Department of the Environment (MDE) and City of Salisbury, along with a Conditions of Financial Assistance Award form for the above-referenced project. Please have the cost-share agreement and the form signed and returned to the Engineering & Capital Projects Program. These documents are prerequisites for obtaining the Maryland Board of Public Works (the Board) approval of the allocated \$630,000 grant funds. Once the approval of the Board is secured, we will provide you a copy of the executed Agreement for your records.

This proposed funding is contingent upon the issuance of a Notice-to-Proceed to construction by June 30, 2011. It is, therefore, imperative that the complete plans and specifications for the proposed project are submitted for review and comments by January 31, 2011.


There are a number of administrative and programmatic requirements associated with the State grant funds. All engineering agreements as well as construction contracts are subject to MDE approval when the grant funds are expected to cover their costs. Furthermore, a copy of the project plans and specifications must be submitted for review and comments—prior to advertisement for construction bids.

It should be noted that any construction cost incurred prior to the Boards approval of the grant funds is not eligible for grant assistance. Therefore, construction should not be initiated before the approval of grant funds by the Board.

Also, please be advised that since the allocated grant funds exceed \$500,000, Salisbury is required to make good-faith efforts to utilize Minority and Women's Business Enterprises (M/WBE) in all procurements involving grant funds. Additional information concerning the M/WBE requirements can be obtained at the MDE website www.mde.state.md.us/wqfa

Should you have any questions and/or need clarification of the above, please call me at 410-537-3724 or Mr. John Gesswein, Project Manager, at 410-537-3760.

Sincerely,


Mehdi Majedi, Chief
Water and Wastewater Division
Engineering and Capital Projects Program

**COST-SHARE AGREEMENT BETWEEN THE
MARYLAND DEPARTMENT OF THE ENVIRONMENT
AND THE CITY OF SALISBURY, MARYLAND**

THIS COST-SHARE AGREEMENT is made this _____ day of _____, 2010, between the Office of Budget and Infrastructure Financing, a unit of the Maryland Department of the Environment (the "Department"), and the City of Salisbury, Maryland (the "Recipient").

The Department will allocate up to six hundred thirty thousand dollars (\$630,000) in State grant funds for the planning, design and construction of the proposed Milford Street Potable Water Storage Facility project. The Department may, at its discretion, provide the Recipient additional grant funds towards the total eligible project costs for the project described in the Capital Projects Financial Assistance Pre-Application dated February 25, 2009, contingent upon the availability of State funds and subject to approval by the Maryland Board of Public Works.

The completed Capital Projects Financial Assistance Pre-Application and Conditions of Financial Assistance Award are expressly incorporated herein by reference and made part of this agreement.

**MARYLAND DEPARTMENT OF
THE ENVIRONMENT**

Witness

By: _____
Terri Wilson, Director
Office of Budget & Infrastructure Financing

Date

CITY OF SALISBURY

Witness

By: _____
James Ireton Jr., Mayor
City of Salisbury, Maryland

Date

MARYLAND DEPARTMENT OF THE ENVIRONMENT
Engineering and Capital Projects Program
1800 Washington Boulevard • Baltimore MD 21230
(410) 537-3000 • 1-800-633-6101 • <http://www.mde.state.md.us>

CONDITIONS OF MDE GRANT AWARD

Project Name: _____

Project Number: _____

Upon the receipt of grants from the Maryland Department of the Environment (the "Department"), the following conditions are understood and accepted by the applicant as conditions binding upon the recipient organization.

1. The recipient agrees to utilize the State grant funds for the project described in the Application for Financial Assistance and as approved by the State Board of Public Works.
2. The recipient agrees to make a good faith effort to secure sufficient funds to cover all project costs not covered by State grant funds.
3. The recipient agrees to adhere to the schedule submitted in its Application for Financial Assistance and will take all appropriate actions to ensure the project phase (planning, design and/or construction) is initiated within the fiscal year in which the state grant funds are appropriated. Failure to proceed within the funding fiscal year may result in loss of grant funding. The recipient will have an opportunity to re-apply for funding in a future year.
4. The recipient agrees to submit to the Department for review all Architectural/Engineering (A/E) service contracts prior to execution if state grant is to cover the costs.
5. The recipient agrees to select A/E consulting firm(s) for planning, design, construction management/inspection and/or grant management in accordance with pertinent Local, State and Federal laws and regulations.
6. The recipient agrees that it will only award a contract to an A/E consulting firm upon proof of professional liability insurance in an amount reasonable and customary for the services being performed.
7. The recipient agrees not to advertise for bids for construction contracts prior to obtaining written approval of the plans and specifications from the Department.
8. The recipient agrees to provide the Department (if requested) an updated project construction cost estimate prior to advertising for bids for construction.
9. For construction contracts greater than \$100,000, the recipient agrees to procure contractors using formal bidding procedures by advertising the request for bids in publications having appropriate widespread circulation. For contracts less than \$100,000, the recipient has the option to use the small purchase procurement procedures or the formal bidding procedures. For additional information, please contact the Department.
10. The recipient agrees to select the contractor for construction of the project in accordance with applicable Local, State, and Federal laws and not award a construction contract until:
 - a. the contractor has posted a Performance Bond and a Payment Bond for 100% of the contract price (generally applicable to contracts over \$100,000 or as determined by the Department);
 - b. the contractor has signed the assurances provided in the "State Insert" included with the contract documents;
 - c. the recipient can certify that adequate A/E inspection and supervision will be provided at the construction site to ensure project construction conforms with the approved plans and specifications; and
 - d. a written approval to award the contract has been received from the Department.
11. Prior to construction start, the recipient agrees to secure all necessary permits, rights-of-way and easements, and undertake any reasonable action resulting from the environmental, design, permitting or state clearinghouse reviews.
12. The recipient agrees to follow best construction management and inspection practices to construct the project in accordance with plans and specifications approved by the Department.
13. Unless waived by the Department, the recipient agrees to post a project sign in the manner and format prescribed by the Department prior to initiating construction.
14. The recipient agrees to obtain prior written approval from the Department for all change orders that significantly alter the project. Change orders that do not significantly alter the project do not require prior approval; however, they must be submitted to the Department within 30 calendar days of execution if grant is to cover change order costs.
15. The recipient agrees to permit and assist State employees to monitor the project construction during normal working hours.
16. The recipient agrees to allocate sufficient funds and operate and maintain the facilities, in accordance with applicable sections of Title 9 of the Environment Article, for the purposes for which it was constructed.
17. The recipient agrees to provide any reasonable information concerning the project in a manner and form prescribed by the Department.
18. The recipient agrees to seek all payments on a reimbursement basis only, unless otherwise authorized by the Department.
19. The recipient agrees to maintain adequate accounting records for a period of three years following the Department's administrative closeout of the project and make them available to the Department for inspection and audit when requested. The recipient's accounting records will at a minimum provide the following:
 - a. provision that the recipient must provide a detailed budget (breakdown of category and cost) including any advances on costs to be incurred;
 - b. A provision requiring the recipient to provide a schedule of spending (related to the budget detail);
 - c. A provision requiring a deliverable schedule from the recipient (linked to the spending schedule);
 - d. A provision requiring a periodic financial summary (defining expended funds in association with the budgeted categories and schedule of spending);
 - e. A provision requiring the contractor to maintain all records relating to the grant until the grant has been audited or three years from the completion of the project, whichever ever is earlier, and
 - f. A provision indicating that MDE may audit any records in conjunction with a project at any time, in person, or request that a copy of the records be forwarded to MDE for verification.
20. The recipient agrees to comply with Title VI of the Civil Rights Act of 1964 - no person in the United States shall, on the ground of race, color, or national



origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under program or activity for which the applicant received State grant.

21. The recipient is required to make good-faith efforts to utilize Minority and Women's Business Enterprises (M/WBE) to participate in procurements involving MDE state grant funds. This requirement applies to projects receiving any grant funding from the Bay Restoration Fund and projects receiving more than \$500,000 in any other MDE grant funding. Please visit MDE's website for guidance.
22. The recipient hereby certifies that all project activities will comply with the tax-exempt bond provisions of the Internal Revenue Code and would not constitute a change in use or private activity.
23. For drinking water and sewerage projects, the recipient certifies that the proposed project is consistent with and is included in an approved water and sewerage area as outlined in the County Water and Sewerage Plan adopted by the County governing body pursuant to §9-501, et seq., of the Environment Article.
24. For grant under the "Sewerage Supplemental Assistance Program", the recipient agrees to adhere to the provisions of COMAR 26.03.08 - Water Pollution Control Fund Construction Financial Assistance Regulations.
25. For grant under the "Nutrient Removal Cost-Share Programs", the recipient agrees to adhere to the provisions of the cost-share agreement and contribute local match for each phase of the project accordingly.
26. For grant under the "Water Supply Financial Assistance Program", the recipient agrees to adhere to the provisions of COMAR 26.03.09 - Water Supply Construction Financial Assistance Regulations, to provide salvage rights by the State upon default by the recipient and contribute at least 12.5% of the total eligible project cost as local match. Unless waived by the Department, all costs exceeding 5% of the original total grant/loan award or costs not authorized by the Department are the responsibility of the recipient. The Department may void the grant if construction has not commenced within 6 months of the award for construction and the recipient agrees to repay all funds with interest.
27. For grant under the "Stormwater Pollution Control Cost-Share Program", the recipient agrees to adhere to the provisions of COMAR 26.03.06, contribute at least 25% of total eligible project cost as local match, maintain the functions of the project for 15 years in the manner necessary to obtain the intended water quality benefits, and if requested by the Department, to grant the Department a security interest in any equipment or similar item purchased with State funds.
28. For grant under the "Small Creeks and Estuaries Restoration Cost-Share Program", recipient agrees to contribute at least 50% of the total eligible project cost as local match and maintain the functions of the project for its useful life in the manner necessary to obtain the intended water quality benefits. The total state grant is limited to a maximum of \$500,000 per project.
29. For Stormwater Pollution Control and Small Creeks and Estuaries Restoration Projects, the recipient shall require any successor to the land title/deed to be bound by the terms of the project, if the project is constructed on private property.
30. For grant under the Bay Restoration Fund Act and ENR Strategy, the recipient shall be required to comply with Subtitle 16 of Title 9 of the Environment Article of the Annotated Code of Maryland as applicable, any regulations promulgated thereunder, and any applicable bond resolutions.
31. For grant under the Chesapeake and Atlantic Coastal Bays Nonpoint Source Fund, the recipient is required to comply with Subtitle 16 of Title 9 of the Environment Article of the Annotated Code of Maryland as applicable, and any regulations and directives promulgated thereunder.
32. At the completion of the construction of the project, the recipient agrees to submit, if appropriate to the project, a set of "as built" drawings certified by a professional engineer or a soil conservation district engineer.
33. The recipient agrees to submit a final claim for reimbursement of costs within sixty days of the Department's final inspection of the project.
34. The recipient agrees that the Department may deny any request for funds if the recipient fails to comply with any of the above conditions of financial assistance award.
35. The recipient agrees that the State Board of Public Works may terminate financial assistance upon the recommendation of the Department if the Department determines in its discretion that there is:
 - a. failure to perform without good cause; or
 - b. gross abuse or corrupt practices in the administration of the project; or
 - c. poor, non-standard, or unsafe construction procedures; or
 - d. failure to comply with any of the conditions of grant award or applicable State laws, regulations, or Departmental policies; or
 - e. failure to adhere with the approved project schedule.
36. The recipient agrees to repay the State (with interest, based on current bond rate and assessed from the date the said funds were received), on demand, any funds received that were misapplied (i.e., not expended in accordance with the terms of these conditions of grant award or applicable State laws, regulations and Departmental policies). In the event that the recipient fails to refund upon demand any misapplied funds, the State shall have the right to offset or withhold any funds in the possession of any State agency (that may be due to the recipient) in an amount equal to the misapplied funds plus interest.
37. The recipient agrees to return, within 30 days of a written request by the Department, any excess funds received (i.e., total funding received from several funding sources exceeds 100% of project costs). In the event that the recipient fails to refund upon demand any excess funds released by the State, the State shall have the right to offset or withhold any funds in the possession of any State agency (that may be due to the recipient) in an amount equal to the overpayment.
38. The recipient agrees to repay the State, immediately upon demand, the depreciated value (on a straight line basis) of the State grant, if the project assets are sold by a public entity or non-profit entity, to a for-profit entity anytime within 20-years of project completion.

I certify that the information provided with the financial assistance application is true to the best of my knowledge and agree to comply with the above Conditions of Financial Assistance Award.

Signature of Recipient's Authorized Representative

Date

Attested by: _____

(Name and Title)

Date: _____