



August 29, 2019

Council Meeting of September 3, 2019
Subject: Grant Agreement Authorization
Part 201-Environmental Remediation

The Honorable Mayor
and
Members of the City Council

Ladies and Gentlemen:

The City has been awarded a grant from the Michigan Department of Environment, Great Lakes, and Energy (EGLE) under Part 201-Environmental Remediation, for the purpose of connecting nine (9) houses impacted by PFAS contamination to City water. The grant, at an estimated \$106,947.66, will fully reimburse the City for the connection of these houses.

Council is requested to consider authorizing the acceptance of the grant to provide safe drinking water to the nine (9) houses identified in the agreement.

Adoption of the attached resolution will authorize the Mayor to sign the grant agreement.

Respectfully submitted,

Mark C Meyers AC

Mark C. Meyers
City Administrator

GAB/sr
Attachments

Administration/City Clerk (231) 798-4391	Assessing Division (231) 799-6806	Building Division (231) 799-6801	Finance/Treasurer (231) 799-6805	Fire Prevention (231) 799-6809	Fire Department (231) 798-2255
Parks/Recreation (231) 799-6802	Planning/Zoning (231) 799-6800	Police Department (231) 733-2691	Public Works (231) 799-6803	Streets Division (231) 798-2156	Water/Sewer (231) 799-6804

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Mayor is authorized to sign the grant agreement with the Michigan Department of Environment, Great Lakes, and Energy to provide an Alternative Water Supply to nine (9) houses with the connections to City water fully funded under State of Michigan Part 201-Environmental Remediation funding.

At a regular meeting of the City Council of the City of Norton Shores, held at the Norton Shores Branch Library, 705 Seminole Road, on the 3rd day of September, 2019, the foregoing resolution was moved for adoption by Council Member. The motion was supported by Council Member.

Ayes:

Nays:

Resolution declared adopted/denied.

Shelly Stibitz, City Clerk



**ALTERNATIVE WATER SUPPLY GRANT AGREEMENT
BETWEEN THE
MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
AND CITY OF NORTON SHORES**

This Grant Agreement ("Agreement") is made between the Michigan Department of Environment, Great Lakes, and Energy (EGLE), **Drinking Water and Environmental Health Division** ("State"), and **City of Norton Shores** ("Grantee").

The purpose of this Agreement is to provide funding in exchange for work to be performed for the project named below. The State is authorized to provide grant assistance pursuant to Part 201, Environmental Remediation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Legislative appropriation of Funds for grant assistance is set forth in Public Act 84 of 2015. This Agreement is subject to the terms and conditions specified herein.

Project Name: City of Norton Shores
Amount of grant: \$106,947.66

Project #: N/A
% of grant state \$100 / % of grant federal 0
PROJECT TOTAL: \$106,947.66 (grant plus match)

Start Date (date executed by EGLE): N/A
[unless alternate date specified]

End Date: November 1, 2019

GRANTEE CONTACT:

Mark Meyers, City Administrator
Name/Title
City of Norton Shores
Organization
4814 Henry Street
Address
Norton Shores, Michigan 49441
Address
231-798-4391
Telephone number
231-798-7103
Fax number
mmeyers@nortonshores.org
E-mail address
38-6006141
Federal ID number – (Required for Federal Funding)

STATE'S CONTACT:

Montana Krukowski, Project Coordinator
Name/Title
DWEHD/EGLE/Lansing
Division/Bureau/Office
P.O. Box 30241
Address
Lansing, Michigan 48909-7741
Address
517-242-9992
Telephone number
Fax number
krukowskim@michigan.gov
E-mail address

Grantee DUNS number - (Required for Federal Funding)

The individuals signing below certify by their signatures that they are authorized to sign this Agreement on behalf of their agencies and that the parties will fulfill the terms of this Agreement, including any attached appendices, as set forth herein.

FOR THE GRANTEE:

Signature

Name/Title

Date

FOR THE STATE:

Signature
Eric Oswald, Director, Drinking Water and Environmental Health Division
Name/Title

Date

I. PROJECT SCOPE

This Agreement and its appendices constitute the entire Agreement between the State and the Grantee and may be modified only by written agreement between the State and the Grantee.

(A) The scope of this project is limited to the activities specified in Appendix A and such activities as are authorized by the State under this Agreement. Any change in project scope requires prior written approval in accordance with Section III, Changes, in this Agreement.

(B) By acceptance of this Agreement, the Grantee commits to complete the project identified in Appendix A within the time period allowed for in this Agreement and in accordance with the terms and conditions of this Agreement.

II. AGREEMENT PERIOD

Upon signature by the State, the Agreement shall be effective from the Start Date until the End Date on page 1. The State shall have no responsibility to provide funding to the Grantee for project work performed except between the Start Date and the End Date specified on page 1. Expenditures made by the Grantee prior to the Start Date or after the End Date of this Agreement are not eligible for payment under this Agreement.

III. CHANGES

Any changes to this Agreement [other than budget line item revisions less than [] percent of the budget line item] shall be requested by the Grantee or the State in writing and implemented only upon approval in writing by the State. The State reserves the right to deny requests for changes to the Agreement or to the appendices. No changes can be implemented without approval by the State.

IV. GRANTEE DELIVERABLES AND REPORTING REQUIREMENTS

The Grantee shall submit deliverables and follow reporting requirements specified in Appendix A of this Agreement.

(A) The Grantee must complete and submit quarterly financial and/or progress reports according to a form and format prescribed by the State and must include supporting documentation of eligible project expenses. These reports shall be due according to the following:

Reporting Period	Due Date
January 1 – March 31	April 30
April 1 – June 30	July 31
July 1 – September 30	Before October 15*
October 1 – December 31	January 31

*Due to the State's year-end closing procedures, there will be an accelerated due date for the report covering July 1 – September 30. Advance notification regarding the due date for the quarter ending September 30 will be sent to the Grantee. If the Grantee is unable to submit a report in early October for the quarter ending September 30, an estimate of expenditures through September 30 must be submitted to allow the State to complete its accounting for that fiscal year.

The forms provided by the State shall be submitted to the State's contact at the address on page 1. All required supporting documentation (invoices, proof of payment, etc.) for expenses must be included with the report.

(B) The Grantee shall provide a final project report in a format prescribed by the State. The Grantee

must provide a draft final report 45 days prior to the end date of the agreement. The Grantee shall submit the final status report, including all supporting documentation for expenses, along with the final project report and any other outstanding products within 30 days from the End Date of the Agreement.

(C) The Grantee must provide copies of all products and deliverables in accordance with Appendix A.

(D) All products shall acknowledge that the project was supported in whole or in part by Part 201, Alternative Water Supply, EGLE, per the guidelines provided by the program.

V. GRANTEE RESPONSIBILITIES

(A) The Grantee agrees to abide by all applicable local, state, and federal laws, rules, ordinances, and regulations in the performance of this grant.

(B) All local, state, and federal permits, if required, are the responsibility of the Grantee. Award of this grant is not a guarantee of permit approval by the State.

(C) The Grantee shall be solely responsible to pay all applicable taxes and fees, if any, that arise from the Grantee's receipt or execution of this grant.

(D) The Grantee is responsible for the professional quality, technical accuracy, timely completion, and coordination of all designs, drawings, specifications, reports, and other services submitted to the State under this Agreement. The Grantee shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in drawings, designs, specifications, reports, or other services.

(E) The State's approval of drawings, designs, specifications, reports, and incidental work or materials furnished hereunder shall not in any way relieve the Grantee of responsibility for the technical adequacy of the work. The State's review, approval, acceptance, or payment for any of the services shall not be construed as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

(F) The Grantee acknowledges that it is a crime to knowingly and willingly file false information with the State for the purpose of obtaining this Agreement or any payment under the Agreement, and that any such filing may subject the Grantee, its agents, and/or employees to criminal and civil prosecution and/or termination of the grant.

VI. USE OF MATERIAL

Unless otherwise specified in this Agreement, the Grantee may release information or material developed under this Agreement, provided it is acknowledged that the State funded all or a portion of its development.

The State, and federal awarding agency, if applicable, retains a royalty-free, nonexclusive and irrevocable right to reproduce, publish, and use in whole or in part, and authorize others to do so, any copyrightable material or research data submitted under this grant whether or not the material is copyrighted by the Grantee or another person. The Grantee will only submit materials that the State can use in accordance with this paragraph.

VII. ASSIGNABILITY

The Grantee shall not assign this Agreement or assign or delegate any of its duties or obligations under this Agreement to any other party without the prior written consent of the State. The State does not assume responsibility regarding the contractual relationships between the Grantee and any

subcontractor.

VIII. SUBCONTRACTS

The State reserves the right to deny the use of any consultant, contractor, associate, or other personnel to perform any portion of the project. The Grantee is solely responsible for all contractual activities performed under this Agreement. Further, the State will consider the Grantee to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Grant. All subcontractors used by the Grantee in performing the project shall be subject to the provisions of this Agreement and shall be qualified to perform the duties required.

IX. NON-DISCRIMINATION

The Grantee shall comply with the Elliott Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2101 *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 *et seq.*, and all other federal, state, and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. The Grantee agrees to include in every subcontract entered into for the performance of this Agreement this covenant not to discriminate in employment. A breach of this covenant is a material breach of this Agreement.

X. UNFAIR LABOR PRACTICES

The Grantee shall comply with the Employers Engaging in Unfair Labor Practices Act, 1980 PA 278, as amended, MCL 423.321 *et seq.*

XI. LIABILITY

(A) The Grantee, not the State, is responsible for all liabilities as a result of claims, judgments, or costs arising out of activities to be carried out by the Grantee under this Agreement, if the liability is caused by the Grantee, or any employee or agent of the Grantee acting within the scope of their employment or agency.

(B) Nothing in this Agreement should be construed as a waiver of any governmental immunity by the Grantee, the State, its agencies, or their employees as provided by statute or court decisions.

XII. CONFLICT OF INTEREST

No government employee, or member of the legislative, judicial, or executive branches, or member of the Grantee's Board of Directors, its employees, partner agencies, or their families shall benefit financially from any part of this Agreement.

XIII. ANTI-LOBBYING

If all or a portion of this Agreement is funded with federal funds, then in accordance with OMB Circular A-21, A-87, or A-122, as appropriate, the Grantee shall comply with the Anti-Lobbying Act, which prohibits the use of all project funds regardless of source, to engage in lobbying the state or federal government or in litigation against the State. Further, the Grantee shall require that the language of this assurance be included in the award documents of all subawards at all tiers.

If all or a portion of this Agreement is funded with state funds, then the Grantee shall not use any of the grant funds awarded in this Agreement for the purpose of lobbying as defined in the State of

Michigan's lobbying statute, MCL 4.415(2). "Lobbying' means communicating directly with an official of the executive branch of state government or an official in the legislative branch of state government for the purpose of influencing legislative or administrative action." The Grantee shall not use any of the grant funds awarded in this Agreement for the purpose of litigation against the State. Further, the Grantee shall require that language of this assurance be included in the award documents of all subawards at all tiers.

XIV. DEBARMENT AND SUSPENSION

By signing this Agreement, the Grantee certifies that it has checked the federal debarment/suspension list at www.SAM.gov to verify that its agents, and its subcontractors:

- (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or the state.
- (2) Have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, as defined in 45 CFR 1185; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
- (3) Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in subsection (2).
- (4) Have not within a three-year period preceding this Agreement had one or more public transactions (federal, state, or local) terminated for cause or default.
- (5) Will comply with all applicable requirements of all other state or federal laws, executive orders, regulations, and policies governing this program.

XV. AUDIT AND ACCESS TO RECORDS

The State reserves the right to conduct a programmatic and financial audit of the project, and the State may withhold payment until the audit is satisfactorily completed. The Grantee will be required to maintain all pertinent records and evidence pertaining to this Agreement, including grant and any required matching funds, in accordance with generally accepted accounting principles and other procedures specified by the State. The State or any of its duly authorized representatives must have access, upon reasonable notice, to such books, records, documents, and other evidence for the purpose of inspection, audit, and copying. The Grantee will provide proper facilities for such access and inspection. All records must be maintained for a minimum of [five] years after the final payment has been issued to the Grantee by the State.

XVI. INSURANCE

(A) The Grantee must maintain insurance or self-insurance that will protect it from claims that may arise from the Grantee's actions under this Agreement.

(B) The Grantee must comply with applicable workers' compensation laws while engaging in activities authorized under this Agreement.

XVII. OTHER SOURCES OF FUNDING

The Grantee guarantees that any claims for reimbursement made to the State under this Agreement must not be financed by any source other than the State under the terms of this

Agreement. If funding is received through any other source, the Grantee agrees to delete from Grantee's billings, or to immediately refund to the State, the total amount representing such duplication of funding.

XVIII. COMPENSATION

(A) A breakdown of costs allowed under this Agreement is identified in Appendix A. The State will pay the Grantee a total amount not to exceed the amount on page 1 of this Agreement, in accordance with Appendix A, and only for expenses incurred [and paid]. All other costs necessary to complete the project are the sole responsibility of the Grantee.

(B) Expenses incurred by the Grantee prior to the Start Date or after the End Date of this Agreement are not allowed under the Agreement, [unless otherwise specified in Appendix A].

(C) The State will approve payment requests after approval of reports and related documentation as required under this Agreement.

(D) The State reserves the right to request additional information necessary to substantiate payment requests.

(E) Payments under this Agreement may be processed by Electronic Funds Transfer (EFT). The Grantee may register to receive payments by EFT at the SIGMA Vendor Self Service web site (<https://sigma.michigan.gov/webapp/PRDVSS2X1/AltSelfService>).

XIX. CLOSEOUT

(A) A determination of project completion, which may include a site inspection and an audit, shall be made by the State after the Grantee has met any match obligations, satisfactorily completed the activities, and provided products and deliverables described in Appendix A.

(B) Upon issuance of final payment from the State, the Grantee releases the State of all claims against the State arising under this Agreement. Unless otherwise provided in this Agreement or by State law, final payment under this Agreement shall not constitute a waiver of the State's claims against the Grantee.

(C) The Grantee shall immediately refund to the State any payments in excess of the costs allowed by this Agreement.

XX. CANCELLATION

This Agreement may be canceled by the State, upon 30 days written notice, due to Executive Order, budgetary reduction, other lack of funding, upon request by the Grantee, or upon mutual agreement by the State and Grantee. The State may honor requests for just and equitable compensation to the Grantee for all satisfactory and eligible work completed under this Agreement up until 30 days after written notice, upon which time all outstanding reports and documents are due to the State and the State will no longer be liable to pay the grantee for any further charges to the grant.

XXI. TERMINATION

(A) This Agreement may be terminated by the State as follows.

(1) Upon 30 days written notice to the Grantee:

- a. If the Grantee fails to comply with the terms and conditions of the Agreement, or with the requirements of the authorizing legislation cited on page 1, or the rules promulgated thereunder, or other applicable law or rules.
 - b. If the Grantee knowingly and willingly presents false information to the State for the purpose of obtaining this Agreement or any payment under this Agreement.
 - c. If the State finds that the Grantee, or any of the Grantee's agents or representatives, offered or gave gratuities, favors, or gifts of monetary value to any official, employee, or agent of the State in an attempt to secure a subcontract or favorable treatment in awarding, amending, or making any determinations related to the performance of this Agreement.
 - d. If the Grantee or any subcontractor, manufacturer, or supplier of the Grantee appears in the register of persons engaging in unfair labor practices that is compiled by the Michigan Department of Licensing and Regulatory Affairs or its successor.
 - e. During the 30-day written notice period, the State shall withhold payment for any findings under subparagraphs a through d, above and the Grantee will immediately cease charging to the grant and stop earning match for the project (if applicable).
- (2) Immediately and without further liability to the State if the Grantee, or any agent of the Grantee, or any agent of any subcontract is:
- a. Convicted of a criminal offense incident to the application for or performance of a State, public, or private contract or subcontract;
 - b. Convicted of a criminal offense, including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees;
 - c. Convicted under State or federal antitrust statutes; or
 - d. Convicted of any other criminal offense that, in the sole discretion of the State, reflects on the Grantee's business integrity.
 - e. Added to the federal or state Suspension and Debarment list.

(B) If a grant is terminated, the State reserves the right to require the Grantee to repay all or a portion of funds received under this Agreement.

XXII. IRAN SANCTIONS ACT

By signing this Agreement the Grantee is certifying that it is not an Iran linked business, and that its contractors are not Iran linked businesses, as defined in MCL 129.312.

XXIV. QUALITY ASSURANCE/QUALITY CONTROL

A project-specific Quality Assurance Project Plan (QAPP) must be submitted to the State in accordance with guidance provided by the EGLE project administrator. Monitoring conducted prior to final EGLE approval of the QAPP will not be reimbursed.

APPENDIX A

The City of Norton Shores municipal water system will be provided via service connections from an existing water main to the following addresses: 178 W Byron Rd, 138 W Byron Rd, 4064 Quainton, 320 Wellesley, 4743 Grand Haven Rd, 4051 Loomis, 31 W Hile, 550 Hendrick Rd, 364 AUE. Under this agreement the eligible properties will receive a water service line, plumbing connection, meter, well abandonment, and property restoration. The estimated cost is: \$106,947.16 based on a cost estimate submitted by Norton Shores, plus 10% contingency and 15% engineering costs.

See attached Program Budget Summary and Cost Detail Schedule.

PEX is being allowed in place of K Copper for all homes in this stage of the project.

PROGRAM BUDGET SUMMARY

Program - ALTERNATE WATER SUPPLY PART 201 OF ACT 451 PA 1994, as amended			Code	Budget Period	Date Prepared 08/29/2019
Local Agency City of Norton Shores DPW			Contract		
Address 4814 Henry Street Norton Shores, MI 49441			Payee Identification No.		
	CATEGORY				TOTAL BUDGET
1	Salaries & Wages				
2	Fringe Benefits				
3	Travel				
4	Project Work				51,390
5	Service Tap Fees				12,600
8	TOTAL DIRECT				63,990
	Contingencies				12,847.00
10	TOTAL EXPENDITURES				76,837
11	Fees & Collections				30,110.16
SOURCE OF FUNDS	State Agreement				106,947.16
12	Local				
13	Federal				
15					
16	TOTAL FUNDING				106,947.16

The addresses listed below are eligible for a state funded connection to public water			
178 W Byron Rd 138 W Byron Rd 4064 Quainton 320 Wellesley 4743 Grand Haven Rd	4051 Loomis 31 W Hile 550 Hendrick Rd 364 AUE		



**Allowable Cost Guidelines for
Contaminated Water Supply Replacement Program
Revised October 2013**

This document provides guidance for payment of water supply replacement costs funded under Part 201 and Part 213 of the Michigan Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), and other specially designated funds. Funding appropriated under NREPA or other sources specifically designated for contaminated water supply replacement will be authorized for water supply replacement by the Remediation and Redevelopment Division, Michigan Department of Environment, Great Lakes, and Energy (EGLE), and managed on a site-specific basis by staff of the Drinking Water and Municipal Assistance Division (DWEHD), EGLE.

Generally, funding will be limited to costs reasonable and necessary to provide the least-cost, EGLE acceptable alternative water supply. The replacement project must be consistent with the funding recommendations developed annually by the EGLE, and appropriated by the Michigan Legislature. The funds must also be authorized by EGLE prior to being spent. Applicable portions of NREPA and administrative rules and the EGLE-DWEHD policy "Providing Alternate Water Service at Sites of Environmental Contamination" should be reviewed for additional information regarding water supply replacement.

Costs incurred without authorization are NOT allowable.

Funding for individual water supply replacement may be provided when the water supply is contaminated or threatened with a hazardous substance as defined by Part 201. Funding appropriated under NREPA may be used toward construction of new or expanded municipal water supply systems when this is an integral portion of the recommended site remedy.

Allowable Costs

1. Provision of bottled water and treatment devices as deemed necessary by DWEHD and when accompanied by an advisory against use of a water supply until permanent potable water is provided.
2. Costs, including municipal connection fees and assessments, are to provide municipal water supply to a residence or business. Assessments will not be paid where existing main is in place and any payment has been made toward the assessment prior to the notification of contamination at the site. Ductile iron pipe water main and type k copper water services shall be used unless other material is specified by DWEHD. When property for a well field must be purchased, an official appraisal of the property must be obtained.
3. Installation of a private, noncommunity, or Type III water well or modification of a water well when accompanied by an advisory from DWEHD against use of the water supply and when the contamination is not attributable to the actions or negligence of the owner/operator.
4. Proper water well abandonment in accordance with Part 127, Water Supply and Sewer Systems, 1978 PA 368, as amended, and administrative rules.
5. Engineering fees related to feasibility studies, remedial design, construction management, and hydrogeologic studies for water supply development at proposed well sites as defined by written agreement.

Basic engineering design and oversight fees for proposed water supply systems are allowed for up to 15 percent of the actual eligible construction costs of the project. A local community may use its own funds to pay basic engineering fees above the 15 percent.

Additional engineering services as defined in the EGLE Engineering Services for Water Supply Replacement Projects, Revised July 2013. These services include: (1) Special construction planning, when necessary, (2) Preparing and gathering of easements, (3) Soil borings, (4) Aerial mapping, and (5) Special engineering reports. These services will not be considered as construction costs and cannot be used to figure the basic engineering fee.

Engineering fees are further defined in the EGLE Engineering Services for Part 201 Projects, Revised October 2012.

6. Negotiated costs to prepare a plan and specifications for special construction measures when encountering contaminated groundwater and soils in the construction zone. This may include health and safety planning for workers. If special construction measures are implemented, the planning is considered as basic engineering. The special construction costs will be considered as eligible construction costs for determining basic engineering fees.
7. Costs under construction contracts. A contingency amount of up to 10 percent of the estimated construction cost is allowable in an agreement between a local unit of government and DWEHD. Written permission must be given by DWEHD to spend contingency amounts.
8. Road construction to provide access to a site and site restoration of roads, easements, rights-of-way, and private property to original condition when damage or disruption is incidental to the project. Complete property restoration to original condition is not applicable when an individual water well is drilled as a water supply replacement alternative. Property will be restored as defined by standard contract or as determined necessary by the DWEHD on-site representative.
9. Lab analysis fees for air, water, and/or soil samples.
10. Proper removal, disposal, or recycling of materials taken off site if required by written agreement.
11. Lease or purchase and operation of monitoring and/or sampling equipment on site as necessary during the project.
12. Lease or operation costs of tools, equipment, vehicles, and safety equipment utilized specifically for the project.
13. Proper decontamination of equipment used on site, if required by written agreement.
14. Purchase, installation, maintenance and monitoring of carbon filtration or other treatment system approved by the appropriate state agency on a temporary basis.
15. Provision of utilities on site as necessary, and relocation or replacement of utilities incidental to construction activity.
16. Public health studies deemed necessary by DWEHD.

17. Temporary relocation of people during a project including providing food and lodging.
18. Approved municipal water supply replacement when the municipal well has been contaminated.
19. Unless otherwise specified by local ordinance or policy, when more than one building on the same property is using the same water well, only one connection to municipal water will be provided.
20. In most cases, when more than one property is served by the same water well, a connection to municipal water will be provided to each developed habitable property. In some cases, where cost or logistics are of concern, DWEHD may only authorize one connection, (e.g., when additional water main is needed to serve some of the properties, and the main would have to be extended outside the area of concern).
21. When more than one building on the same property is served by the same water well, only one replacement well will be provided.
22. Subject to EGLE approval, when more than one property is served by the same water well, where feasible, each residential property will be provided a new water well. In some cases only one well will be provided for multiple properties.
23. When more than one contaminated water well is being used at a single piece of property, DWEHD has the option of installing a single water well to meet the needs of the occupants of all buildings being served by the wells.
24. The cost of a pressure reducing valve when system pressure meets or exceeds 80 pounds per square inch (psi).

Unallowable Costs

1. Costs incurred without authorization.
2. Provision of a permanent nonpotable water supply.
3. Cost to connect a property to municipal water supply where the property owner does not agree to allow proper well abandonment.
4. Municipal administrative fees (i.e., rate studies, costs to establish special assessment districts or management authorities, public liaison, preparation of ordinances, and legal fees unless relating to easements).
5. Operation and maintenance costs of a potable water supply system.
6. Purchase of operation and maintenance equipment, tools, vehicles, safety equipment, emergency equipment, and replacement parts for a municipality (liquid chlorination equipment is allowable).
7. Costs to improve the plumbing at a residence or business to make it compatible with the new water supply. Interior plumbing may be added if the alteration makes the service connection to the new water supply less expensive than if the connection were made with additional exterior work.

8. Drilling a replacement water well when municipal water is to be provided, except on a temporary basis, if necessary. DWEHD will determine when a temporary replacement water well is necessary.
9. Cost to provide alternate water to a residence or business where well contamination is directly attributable to the actions or negligence of the owner/operator.
10. Cost of taps and service line from main to property line when property is undeveloped or developed, but not eligible for a state funded connection.
11. Cost of water sold by a utility after connection to a municipal supply.
12. Unless otherwise specified by local ordinance, local written policy, or master plan, improvements to any municipal or private water supply system beyond those needed to replace a contaminated or threatened potable water supply. The local ordinance, master plan, or policy must have been in place at the time the local governmental jurisdiction was notified of the contamination.
13. Indirect costs or other costs or taxes, including annexation costs that may be associated with administration of a public utility.

The EGLE recognizes questions of allowable costs not covered by this document will occur. When those situations arise, DWEHD will determine cost eligibility based upon the law, experience, and sound engineering practices.



**Engineering Services for Water Supply Replacement Projects
Contaminated Water Supply Replacement Program
Revised July 2013**

When numerous drinking water wells become contaminated or threatened with contamination, it may be necessary to extend municipal water or construct a Type I water system to serve the affected area. In many cases, money is available from Part 201 or Part 213 of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), or other designated sources to fund these water supply projects. Certain engineering fees are allowable expenses and may be paid for with these state funds. Those items considered eligible may include feasibility studies, design and oversight, and additional services defined in this document.

Design and oversight fees are paid based upon a rate of 15 percent of the actual eligible project construction costs. If construction costs are not expected to exceed **\$200,000**, the local unit of government (LUG) responsible for water supply and the Department of Environment, Great Lakes, and Energy (EGLE), Drinking Water and Environmental Health Division (DWEHD), staff will negotiate the fees with the engineer. These fees will be defined by written agreement.

This document defines construction costs used in determining the 15 percent engineering fee, fees for additional services not considered part of the 15 percent fee, items not to be considered as construction costs to determine the 15 percent fee, and feasibility studies.

Feasibility Study

A study may be needed to determine the least cost acceptable water supply replacement alternative. The LUG and DWEHD will negotiate with the engineer to determine the cost of the study. The scope and cost of the study will be defined by written agreement. Items under consideration may include individual well replacement, extension of public water, and construction of a public water system. If more than one alternative is acceptable to DWEHD, the LUG may choose the more costly alternative. If the more costly alternative is chosen, the LUG must pay the difference in cost.

A thorough cost analysis of a public water system for the area affected by the groundwater contamination may be part of the study. The community may supplement the state funding and expand the study area to include other parts of its community.

The study should include the following parameters:

1. A review and cost assessment of property for water well sites. DWEHD Field Operations Section staff must approve candidate sites. Test water well drilling and a hydrogeologic study may be applicable at this time, depending upon the depth of the study.
2. A preliminary system design including main route, storage needs, well site location, hydraulic analysis, and pipe sizing. A review meeting with DWEHD, Field Operations Section, staff is recommended during this phase of the study.
3. A cost estimate of the state portion of the project.

A test production water well may be included in some preliminary design studies. If so, its cost will not be included in determining the basic fees for design and oversight.

Design and Oversight Services

The following services are to be provided for a fee of no more than 15 percent of actual eligible construction costs:

1. Survey and stake project area, including water well site, water main routes, and storage tank site.
2. Prepare plans and specifications and submit to DWEHD, Field Operations staff and any other governing bodies with oversight responsibilities.
3. At properties eligible for a service connection, identify, with homeowner input, existing water wells to be abandoned, and place this information in the construction plans and specifications. DWEHD may have available data to assist in identifying the existing wells.
4. At properties where services are to be installed, identify, with homeowner input, the location of buried tanks and other obstructions to service line installation, water well abandonment, or property restoration, and place this information in the construction plans and specifications.
5. Prepare contract documents for bidding.
6. Review plans, specifications, and bidding documents with DWEHD and obtain a construction permit.
7. Prepare any other necessary permit applications and assist client with submitting them.
8. Assist client in advertising and obtaining bids. (Actual advertising and printing costs are eligible project costs).
9. Hold prebid meeting, if necessary, and preconstruction meeting.
10. Provide construction oversight, inspection, and materials testing, including concrete, soils, and bituminous.
11. Meet with DWEHD and client, as necessary, during the project to obtain information and report project progress.
12. Prepare change orders when necessary. Change orders are to be reviewed and approved by DWEHD.
13. Prepare monthly pay estimates.
14. Conduct final inspections to verify the project has been satisfactorily completed.
15. Prepare "as built" drawings of the project.

16. Hold progress meetings with contractors, as necessary.
17. Provide an operation and maintenance manual where necessary.

Construction Costs Used in Determining Design and Oversight Fee

State funded design and oversight fees are based upon 15 percent of actual project construction costs. The cost of the following items is used to determine the design and oversight fees:

1. Water well construction - when not part of feasibility study.
2. Water main installation including all necessary appurtenances.
3. Storage - elevated or hydropneumatic.
4. Water well house, pumping equipment, and telemetry.
5. Water service connections/meters.
6. Water well abandonment.
7. Videotaping of construction zone prior to construction.
8. Access road construction.
9. Power line installation.
10. Property restoration.
11. Test water well drilling - when not part of the feasibility study.
12. Actual special construction when encountering contaminated groundwater and soils in the construction zone. This may involve pumping and treating contaminated groundwater and removal of contaminated soils. This may also include soil borings for the purpose of taking groundwater or soil samples for contaminant analysis, sample collection, and analysis.
13. Contractor paid permit fees (e.g., plumbing permits).

Additional Engineering Services

On some projects it may be necessary for the engineer to perform work not covered within the 15 percent design and oversight fees. This work must be defined in writing and approved by DWEHD. The following items may be considered as additional engineering services:

1. Special construction planning - see #12 above. If special construction is not used, a prenegotiated fee approved by DWEHD will be paid for the planning.
2. Preparing and obtaining easements, and assisting in purchasing property.

3. Soil borings.
4. Aerial mapping.
5. Special engineering reports

Items not Considered for Determining Design and Oversight Fees

The following items may be part of a water supply project but cannot be used to determine the fees for design and oversight:

1. Connection fees and benefit charges.
2. Assessments.
3. Capital charges or other similar charges.
4. Property purchases and easement costs.
5. Salaries and fringe benefits of municipal engineers.
6. Any construction work performed as a result of a special engineering report, except a contamination planning report.
7. Inspection fees for inspection not done by the engineer (LUG inspection).