



Memorandum

To: Mayor, Town Council
From: Rob Totten, Rick Wixom
Date: September 7, 2023
Re: **September 13, 2023 Town Council Meeting**
Lead Service Line Inventory – Planning Principal Forgiveness Agreement

Within the EPA's revised lead and copper rule (LCR) is a requirement to inventory all water service lines in the community to determine if there are lead service lines, or galvanized lines that have been connected to lead lines. This past year, the State of Utah authorized a 100% grant program to assist with this inventory requirement. The Town, with Sunrise's help, applied for and received a grant to perform the inventory work. The inventory must be done and submitted to the State by Oct. 16, 2024. Once the inventory is done, the community must replace certain amounts of lead service lines on a schedule that can be found in the LCR.

The attached agreement must be reviewed and approved by the Council before being signed and sent back to the State Division of Drinking Water. Also attached to the agreement is the scope of work that Sunrise provided that details the work to be done.



State of Utah

SPENCER J. COX
Governor

DEIDRE HENDERSON
Lieutenant Governor

Department of
Environmental Quality

Kimberly D. Shelley
Executive Director

DIVISION OF DRINKING WATER
Tim Davis
Director

Drinking Water Board
Kristi Bell, Chair
Eric Franson, P.E., Vice-Chair
Dawn Ramsey
Justin Maughan
Robert Rolfs
Jeff Coombs
David O. Pitcher
Blake Tullis, Ph.D.
Kimberly D. Shelley
Tim Davis
Executive Secretary

July 21, 2023

Rob Totten
PO Box 187
Springdale, Utah 84767

rtotten@springdale.utah.gov

Subject: **Planning Principal Forgiveness Agreement**; Springdale Town Water System, System #27017, SRF #3F1965P

Dear Rob Totten:

On July 20, 2023, the Assistant Executive Secretary to the Drinking Water Board authorized a planning loan of \$94,000 with 100% principal forgiveness to Springdale Town Water System to prepare a lead service line inventory in accordance with federal requirements.

This financial assistance was authorized subject to the availability of funds. The assistance represented by this authorization will be funded from the proceeds of the Federal Infrastructure Investment and Jobs Act's Lead Service Line Replacement funds to the State of Utah. Under the law, federal funds are to be made available to the State by way of authorized draws on a letter of credit over the period of the Project. Therefore, this authorization is expressly subject to the continued availability of federal funds through the IIJA LSL appropriation, and the letter of credit related thereto. Neither the Board nor the State of Utah shall be bound by this authorization or by any obligation to provide further funding if the Infrastructure Investment and Jobs Act's Lead Service Line Replacement funds to which this authorization relates are not awarded or if payments under the letter of credit are withheld for any reason.

The authorized financial assistance will be available to the recipient after the Planning Principal Forgiveness Agreement is completed, submitted to, and approved by the Division. Furthermore, funds will only be available on a reimbursement basis. The recipient's contractor will complete work on the project and will submit reimbursement forms and supporting documentation to the recipient for review and approval. The recipient will then submit the documents to the Division for review and reimbursement. The Division will accept no more than four reimbursement requests during this project.

Springdale Town Water System
July 21, 2023
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Please review the Planning Principal Forgiveness Agreement between the water system and the Drinking Water Board.

If you have any changes that you would like to see in the document, please notify us. If not, please fill in any blanks such as dates, and sign in the spaces so indicated. Please return a scanned copy to Linda Ross at lpross@utah.gov. The project description and scope of work included with your application will be added to the principal forgiveness agreement.

If you have any questions, please contact me at (801) 674-2563.

Sincerely,



Michael J. Grange, P.E.
Assistant Executive Secretary

MJG/lr

cc: Dawn Brecke, Springdale Town Water System, dbrecke@springdale.utah.gov
Blaine Worrell, Sunrise Engineering, bworrell@sunrise-eng.com
Rebekah Brown, Division of Drinking Water, rebekahbrown@utah.gov

Contract #
SRF # 3F1965P
Amount: \$94,000
Recipient: Springdale Town Water System
Tax ID # 87-0275308

PLANNING PRINCIPAL FORGIVENESS AGREEMENT

LEAD SERVICE LINE INVENTORY

DRINKING WATER STATE REVOLVING FUND

STATE OF UTAH

Department of Environmental Quality
Drinking Water Board

This principal forgiveness agreement is entered into by and between the State of Utah, Department of Environmental Quality, Drinking Water Board (hereinafter the "BOARD") and

Springdale Town Water System

an applicant for principal forgiveness under the Drinking Water Board provisions contained in R309-705 of the Utah Administrative Code as authorized by Utah Code Title 73, Chapter 10c (hereinafter the "RECIPIENT"). Pursuant to the provisions of the Statute, and the powers and functions of the Drinking Water Board, the BOARD hereby finds and determines, based upon the formal application of the RECIPIENT, the evidence provided by the RECIPIENT to the BOARD and its staff, and information developed by the BOARD in its own investigations and at the hearings on the application of the RECIPIENT, the following, that:

1. The RECIPIENT is eligible for financial assistance pursuant to the Safe Drinking Water Act Section 1452 42 USCA 300j et seq.
2. The BOARD has determined that principal forgiveness is necessary to determine the economical feasibility of the proposed Project as described hereafter as Exhibit-1.
3. The RECIPIENT has been authorized by the BOARD pursuant to Section R309-705 of the Utah Administrative Code and as authorized by Utah Code Title 73-10c-4 to receive principal forgiveness.

Based upon these findings, the BOARD is authorized and empowered to, and does hereby, enter into the following agreement with the RECIPIENT.

GENERAL PROVISIONS

1. The BOARD shall provide the RECIPIENT the amount of \$94,000 (PRINCIPAL FORGIVENESS AMOUNT) for the completion of the Project as described in Exhibit-1, Work Description and Cost Breakdown.
2. The RECIPIENT shall complete the Project described in Exhibit-1, Work Description and Cost Breakdown. If work on the Project is not completed by _____, this principal forgiveness may be canceled by written notice from the BOARD to the RECIPIENT. No work completed after receipt of the notice shall be reimbursable.
3. The RECIPIENT shall notify the BOARD in writing of any proposed modifications to the Project which alters Exhibit-1, Work Description and Cost Breakdown. If such notification is not received, the cost of the proposed modification will be disallowed.
4. The PRINCIPAL FORGIVENESS AMOUNT shall be deposited with other funds necessary to complete the Project into a supervised escrow account at the time this principal forgiveness agreement is executed. All disbursements from the escrow account must be reviewed and approved in advance by the RECIPIENT and the BOARD. Upon completion of the Project unused principal forgiveness funds which remain in the escrow account must be returned to the BOARD. Funds returned as surplus to the BOARD shall be applied as a reduction of the PRINCIPAL FORGIVENESS AMOUNT.
5. The RECIPIENT shall comply with all laws which normally govern its affairs in regard to contracts, fiscal procedures and procurement procedures.
6. The RECIPIENT shall indemnify and hold harmless the State of Utah, the Department of Environmental Quality, the Division of Drinking Water, the BOARD and their officers, agents and employees from and against any and all loss, damage, injury, liability, and claims, including claims for personal injury or death, damages to personal property and liens of workmen and materialmen, howsoever caused, resulting directly or indirectly from the performance of this principal forgiveness agreement by the RECIPIENT, or the operations of the Project and the culinary water system for which this Project is a part including attorneys fees and costs in the investigation or defense of any claim, whether or not the claim has merit.
7. The RECIPIENT shall be an independent contractor, and, as such, shall have no authorization, express or implied, to bind the State of Utah, the Department of Environmental Quality, the Division of Drinking Water, or the Drinking Water Board to any agreement, settlement, liability, or understanding whatsoever, nor to perform any acts as agent for the State of Utah, except as herein expressly set forth.

8. RECIPIENT expenditures under this principal forgiveness agreement determined by audit to be ineligible for reimbursement because they were not authorized by the terms and conditions of the agreement, or that are inadequately documented, and for which payment has been made to the RECIPIENT will be immediately refunded to the BOARD by the RECIPIENT upon written demand of the BOARD. The RECIPIENT further agrees that the BOARD shall have the right to withhold any or all subsequent payments under this or other contracts to RECIPIENT until recoupment of overpayment is made.
9. This principal forgiveness agreement may be altered, modified, or supplemented only by written amendment, executed by the parties hereto, and attached to the original signed copy of this agreement. No claim for services furnished by the RECIPIENT, not specifically authorized by this agreement will be allowed by the BOARD.
10. If it is determined that in any manner the principal forgiveness agreement was improperly made or entered into, or if the monies are or were used improperly or contrary to the terms of this agreement, the RECIPIENT shall pay to the BOARD the amount of all monies and benefits received by the RECIPIENT from the BOARD.
11. The RECIPIENT agrees, in accepting the proceeds, to comply with all applicable state and federal regulations related to the Utah State Revolving Fund administered by the Drinking Water Board. These requirements include, but are not limited to, Title XIV of the Safe Drinking Water Act of 1996, OMB Circular A-133, the Utah Federal State Revolving Fund Program (R309-705 of the Utah Administrative Code), the Utah Money Management Act, the Utah Procurement Code and the State of Utah Legal Compliance Audit Guide.
12. The RECIPIENT agrees to submit with each reimbursement request sufficient documentation, as defined on the reimbursement request forms, to fully define the amount of work completed and the location where the work was completed to verify that the subsidy provided by the BOARD through this agreement was applied to disadvantaged communities or disadvantaged areas within the RECIPIENT'S service area.

EXECUTION

NOW, THEREFORE, by virtue of the authority contained in Utah Code Title 73, Chapter 10c, as amended, the parties hereto mutually agree to perform this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this _____ day of _____, 20____. This contract will take effect upon approval as evidenced by the appropriate signatures.

RECIPIENT

STATE

Springdale Town Water System
PO Box 187
Springdale, Utah 84767

APPROVED - DRINKING WATER BOARD

By: _____
Date: _____
Rob Totten
Public Works Superintendent

By: _____
Date: _____
Michael J. Grange, P.E.
Assistant Executive Secretary

APPROVED - DIVISION OF FINANCE

By: _____
Date: _____
Dawn Brecke
Treasurer

By: _____
Date: _____

JURAT

STATE OF UTAH)
)
) :ss
COUNTY OF: WASHINGTON)

On this _____ day of _____, 20____, personally appeared before me Rob Totten and Dawn Brecke, who being by me duly sworn did say they are the duly authorized Public Works Superintendent and Treasurer respectfully, of Springdale Town, a political subdivision of the State of Utah or a Utah Corporation, and that the foregoing instrument was signed in behalf of said political subdivision or corporation by authority of a motion of its governing body passed on the _____ day of _____, 20____, and said persons acknowledged to me that said political subdivision or corporation executed the same.

Notary Public, residing at:

Date: _____

My Commission Expires:

Exhibit No. 1

WORK DESCRIPTION & COST BREAKDOWN

Springdale Town Water System

PRINCIPAL FORGIVENESS

PROJECT DESCRIPTION

Springdale Town Water System has requested and been approved for principal forgiveness from the Drinking Water Board. This principal forgiveness is for the cost of completing a Lead Service Line Inventory. To partially fund this work, the Board authorized a planning loan with 100% principal forgiveness of \$94,000 to Springdale Town Water System.

SCOPE OF WORK

(Please attach a copy of the scope of work)

SCOPE OF WORK

GENERAL SCOPE OF WORK

Springdale Town (OWNER) and its engineering and technical services consultant (ENGINEER) will prepare a lead service line inventory including gathering existing information related to its water system and water system service connections, prepare a GIS database to log service line materials, represent the GIS database in digital and/or paper mapping, investigate service lines for which existing information is not known for the purpose of ascertaining whether they are lead services lines as defined in the EPA's Lead and Copper Rule Revision, host a public facing web site with information or links to information on lead and copper conditions within the community, and prepare a lead and copper service line replacement plan.

OWNER'S SCOPE OF SERVICES

1. OWNER's General Responsibilities

- a) OWNER will examine alternative solutions, studies, reports, sketches, drawings, specifications, proposals, and other documents presented by ENGINEER and render in writing timely decisions pertaining thereto.
- b) OWNER will give prompt written notice to ENGINEER whenever OWNER observes or otherwise becomes aware of:
 - i) Any development that affects the scope or time of performance of ENGINEER's services.
 - ii) The presence at the site of any constituent of concern or hazardous material.
- c) OWNER will advise ENGINEER of the identity and scope of services of any independent consultants employed by OWNER to perform or furnish services regarding the project, including, but not limited to, cost estimating, project peer review, value engineering, and constructability review.
- d) OWNER will primarily communicate with any of ENGINEER's subconsultants through ENGINEER and will promptly inform ENGINEER of the substance of any communications between OWNER and ENGINEER's subconsultants and will refrain from directing the services of ENGINEER's subconsultants.
- e) OWNER will authorize ENGINEER to provide Additional Services as required.

2. Project Information

- a) Except where included in the Scope of Services to be performed by ENGINEER, OWNER will provide ENGINEER with information and data needed by ENGINEER for the performance of the Scope of Services, including OWNER's design objectives and constraints, space, capacity, and performance requirements, flexibility and expandability needs, design and construction standards, budgetary limitations, property descriptions, zoning, deed and other land use restrictions, surveys, topographic mapping and utility documentation, property, boundary, easement, right-of-way and other special surveys or data, including establishing relevant reference points, studies, investigations, tests and reports related to the site, environmental, historical or cultural information relevant to the site or project, and any other information and data required for the project.
- b) OWNER will give instructions to ENGINEER regarding OWNER's procurement of construction services (including instructions regarding advertisements for bids, instructions to bidders, and requests for proposals, as applicable) and OWNER's construction contract practices and requirements.

- c) OWNER will furnish to ENGINEER, OWNER's standard contract forms, general conditions, supplementary conditions, text, and related documents, insurance and bonding requirements, OWNER's safety and security programs applicable to the contractor, diversity and other social responsibility requirements, binding and contract requirements of funding, financing or regulatory agencies, and any other information necessary for ENGINEER to assist OWNER in preparing the bidding/proposal documents and front-end construction contract documents.

3. OWNER-Furnished Services

- a) Except where included in the Scope of Services to be performed by ENGINEER, OWNER will acquire or arrange for acquisition of the site(s) and any temporary or permanent rights of access, easements, or property rights needed for the project.
- b) Except where included in the Scope of Services to be performed by ENGINEER, OWNER will provide, obtain, or arrange for all required reviews, approvals, consents, and permits from governmental authorities having jurisdiction, and such reviews, approvals, and consents from others as may be necessary for completion of each portion or phase of the project.
- c) Where required, OWNER will provide all accounting, bond and financial advisory services, independent cost estimating, and insurance counseling services.
- d) OWNER will perform or provide the following supplemental OWNER-Furnished Services tasks or deliverables:
 - i) Administer funding for the project, including communications with and providing information required by agencies funding the work.
 - ii) Provide existing GIS records, work orders, project as-built records, tax parcel data, existing sampling data, and other information that may be used to help with the service line inventory to ENGINEER, including.
 - (1) Gather and provide digital and paper mapping of the water system and water service connections to ENGINEER.
 - (2) Provide OWNER's water system and water service connections GIS database and layers to ENGINEER.
 - iii) Perform all field collection of information required to complete the GIS Service Line Inventory Phase.
 - (1) Such field collection may include potholing, exposing meter connections, parcel owner interviews, etc.
 - (2) Update data, features, and attributes in the inventory as they are discovered.
 - (3) Host and maintain a public facing website and post information or links to information provided by ENGINEER related to the lead service line inventory and required as a condition of funding or the EPA's LCRR.

ENGINEER'S SCOPE OF SERVICES

4. Management of Engineering Services

- a) All phases of ENGINEER's services will include management of ENGINEER's project-specific responsibilities, including but not limited to the following management tasks:
 - i) Develop and submit an engineering and technical services schedule.
 - ii) Coordinate services within ENGINEER's internal team, including subconsultants, if any.
 - iii) Prepare and submit progress reports to OWNER.
 - iv) Prepare for and participate in periodic progress meetings with OWNER.
 - (1) Progress meetings will primarily be web-based online meetings.
 - v) Prepare agendas prior to and minutes following meetings conducted by ENGINEER.

- vi) Conduct ongoing management tasks, including maintaining communications, records and files pertaining to ENGINEER's services.

5. GIS Service Line Inventory Phase

- a) Upon authorization by OWNER, ENGINEER will:
 - i) Review and assess available, relevant project information and data, including pertinent reports or studies and related instructions from OWNER.
 - (1) Based on review and assessment of available information and data, advise OWNER of need for OWNER to obtain, furnish, or otherwise make available to ENGINEER additional information.
 - (2) Visit the site as needed preparatory to performing the GIS Service Line Inventory Phase.
- b) Perform or provide the following GIS Service Line Inventory Phase tasks or deliverables:
 - i) Develop OWNER's Service Line Inventory in GIS format:
 - (1) Receive OWNER's GIS water system and water service connection layers from OWNER.
 - (2) Apply customized GIS templates to identify key service line attributes, allow OWNER to collect additional data in the field, and monitor inventory progress. The templates will serve as the basis for the GIS attributes and symbols associated with the GIS layers that will be used by OWNER in the inventory process. It is assumed that:
 - (a) ENGINEER will build the GIS service line inventory using OWNER's existing water system and water service connections layer to deploy the inventory solution.
 - (b) OWNER will perform on-site investigations where required to identify unknown service line materials.
 - (c) If the development of water system or water service connection GIS layers are required, or if additional field mapping or investigation by ENGINEER becomes necessary, or if existing water system or water service connection layers need to be augmented by the incorporation of paper mapping records, OWNER may retain ENGINEER to perform such services as an Additional Service.
 - (3) Identify and communicate with OWNER on areas of OWNER's system where service line materials are unknown and need additional investigation by OWNER.
 - (4) Plan the inventory process, input service line data, and track inventory progress using the GIS inventory solution.
 - ii) Develop a Utility and Public Engagement Platform:
 - (1) Build utility and public engagement web application(s) to provide OWNER the ability to track inventory progress and identify installed service line materials.
 - (2) Create a public engagement survey to be deployed by OWNER to assist in customer-side inventory that gives customers and citizens a way to report service line material.
 - (3) Prepare utility lead replacement and self-assessment dashboards to provide progress insights for system managers, project stakeholders, field technicians, and other designated contacts.
 - (4) Provide a dashboard link for OWNER's public lead reduction website or home page to access an informational web map to show inventory progress, support public outreach, provide communication and information about the EPA's Lead and Copper Rule Revision (LCRR), and share access to additional information.
 - (5) Provide a solution to export a .pdf or spreadsheet with information that the EPA requires for rule compliance.
 - iii) Provide Onsite Training:
 - (1) Provide up to four hours of on-site training for OWNER staff on how to use the LCRR GIS tools and inventory solutions prepared by ENGINEER.

- c) ENGINEER's services under the GIS Service Line Inventory Phase will be considered complete on the date when ENGINEER has delivered to OWNER the final GIS Service Line Inventory Phase deliverables, as revised.

6. Replacement Plan Phase

- a) Upon authorization from OWNER, ENGINEER will prepare a replacement plan meeting the Utah Division of Drinking Water (DDW) requirements and final drawings and specifications indicating the scope, extent, and character of the work to be performed and furnished by a construction contractor.
- b) Perform or furnish the following Replacement Plan Phase services:
 - i) Visit the site as needed preparatory to performing the Replacement Plan Phase.
 - ii) Assist OWNER in assembling known reports and drawings of site conditions and in identifying the technical data contained in such reports and drawings upon which bidders or other prospective contractors may rely.
 - iii) Evaluate the findings of the GIS Service Line Inventory Phase and consider its implications on the Replacement Plan Phase.
 - iv) Based on review and assessment of available information and data, advise OWNER of need for OWNER to obtain, furnish, or otherwise make available to ENGINEER additional information necessary for the Replacement Plan Phase.
 - v) Prepare drawings and specifications to implement replacement plan recommendations.
 - (1) Prepare drafts for OWNER's review and final drawings and specifications as follows:
 - (a) Preliminary draft of drawings, specifications, and preliminary opinion of probable construction cost, representing approximately 30% design achievement.
 - (b) Final draft of replacement plan meeting DDW's requirements, drawings, specifications, and preliminary opinion of probable construction cost, addressing OWNER's comments and including appropriate design advancement, representing approximately 90% design achievement.
 - (c) Final Replacement Plan Phase drawings, and specifications (representing 100% design achievement) that address OWNER's comments, suitable for submitting to DDW and for estimating and pricing by prospective contractors and are ready for construction. Also, deliver a final opinion of probable construction cost.
 - (2) It is anticipated that drawings will consist of general sheets, site plans and detail sheets indicating the quality and quantity of work to be performed by a contractor generally. Detailed drawings such as plan and profile drawings, or detailed site drawings specific to each parcel or service connection are not anticipated to be required.
 - (3) OWNER recognizes that the extent of drawings to be prepared is dependent upon the findings of the GIS Service Line Inventory Phase and that the scope of ENGINEER's services as it relates to the Replacement Plan Phase is based upon general assumptions in place at the time of Work Release drafting.
 - (4) If more extensive or more detailed drawings become required, OWNER may retain ENGINEER to prepare such drawings as an Additional Service.
 - vi) In preparing the specifications and bidding/proposal and front-end construction contract documents or other documents that are part of ENGINEER's Scope of Services, ENGINEER will obtain from OWNER any relevant constraints such as requirements for use of domestic steel and iron, other domestic purchasing requirements, and similar considerations, and comply with or account for such constraints in drafting said documents.
- c) Concurrent with ENGINEER's provision of the Replacement Plan Phase deliverables, ENGINEER will prepare and submit on OWNER's behalf applications for permits from and approvals of authorities having jurisdiction over the construction or operation of the project, including the following tasks:

- i) Prepare and file the following permit applications, with required supporting documentation, for permits from or approvals of authorities having jurisdiction:
 - (1) Utah Division of Drinking Water (DDW) Project Notification Form with supporting documents.
- ii) Relative to permit applications filed, receive comments from authorities having jurisdiction and evaluate such authorities' comments, requirements and requested revisions, if any.
- iii) Confer with OWNER regarding required revisions, if any, to the application(s) or supporting documents, and make appropriate revisions to the application(s) and supporting documents as required by authorities having jurisdiction over the construction or operation of the project.
- iv) Communicate with authorities having jurisdiction to understand the basis for comments and required revisions and to advocate for permitting or approval of the project.
- v) File on OWNER's behalf revised applications and supporting documents required by authorities having jurisdiction.
- vi) OWNER acknowledges that:
 - (1) ENGINEER does not guarantee issuance of any required permit or approval.
 - (2) Fees charged by authorities having jurisdiction for permits or approvals are the responsibility of OWNER and will be paid directly by OWNER or, if paid by ENGINEER, will be reimbursed by OWNER.
- d) ENGINEER's services under the Replacement Plan Phase will be considered complete on the date when ENGINEER has delivered to OWNER the final drawings and specifications, final bidding/proposal documents, and final front-end construction contract documents.
- e) The intent of the Replacement Plan Phase is to prepare and make ready for public bidding a plan which OWNER may use to procure the future services of a contractor to replace lead service lines identified through the GIS Service Line Inventory Phase when funding for such physical improvements becomes available. ENGINEER's Scope of Services does not include Bidding or Negotiating, Construction or Post-Construction-Phase services.