

INTRODUCED: November 13, 2017

AN ORDINANCE No. 2017-218

To authorize the Chief Administrative Officer to accept grant funds in the amount of \$500,000.00 from the Virginia Department of Health and to appropriate the increase to the Fiscal Year 2017-2018 Capital Budget by increasing estimated revenues and the amount appropriated to the Department of Public Utilities' Water Utility by \$500,000.00 for the purpose of funding full lead service line replacements in the city of Richmond.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: DEC 11 2017 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, is authorized to accept grant funds in the amount of \$500,000.00 from the Virginia Department of Health for the purpose of funding full lead service line replacements in the city of Richmond.

§ 2. That the funds received are hereby appropriated to the Capital Budget for the fiscal year commencing July 1, 2017, and ending June 30, 2018, by increasing estimated revenues by \$500,000.00, increasing the amount appropriated for expenditures by \$500,000.00,

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: DEC 11 2017 REJECTED: _____ STRICKEN: _____

and allotting to the Department of Public Utilities' Water Utility the sum of \$500,000.00 for the purpose of funding full lead service line replacements in the city of Richmond.

§ 3. This ordinance shall be in force and effect upon adoption.



CITY OF RICHMOND
INTRACITY CORRESPONDENCE

O & R REQUEST
4-7109
OCT 11 2017
Office of the Chief Administrative Officer

O&R REQUEST

DATE: October 10, 2017

EDITION: 1

TO: The Honorable Members of City Council

RECEIVED

THROUGH: The Honorable Levar M. Stoney, Mayor

Handwritten initials and date: JB 11/7/17

NOV 07 2017

THROUGH: Selena Cuffee-Glenn, Chief Administrative Officer

Handwritten initials: SC

OFFICE OF CITY ATTORNEY

THROUGH: Lenora G. Reid, Deputy Chief Administrative Officer of Finance & Administration

Handwritten initials: LR

THROUGH: John B. Wack, Director, Department of Finance

Handwritten initials: JBW

THROUGH: Jay A. Brown, Director, Department of Budget and Strategic Planning

Handwritten initials: JAB

THROUGH: Robert C. Steidel, Deputy Chief Administrative Officer of Operations

Handwritten signature/initials

FROM: Rosemary H. Green, Interim Director, Department of Public Utilities

Handwritten initials: RHG

RE: Virginia Water Supply Assistance Grant (WSAG); Financial and Construction Assistance; Lead Service Line Replacement

ORD. OR RES. No. _____

PURPOSE: To authorize the Chief Administrative Officer to accept grant funds in the amount of \$500,000 from the Commonwealth of Virginia, Virginia Department of Health and to appropriate the increase to the fiscal year 2017-2018 Water Utility budget for the purpose of funding full lead service line replacements in the the City of Richmond.

REASON: The City of Richmond has a funded program to replace Lead Service Lines between the City's water main and the customer's meter. However, to provide the most health benefits for consumers, it has been established that lead service line replacements should be "complete" or "full" replacements. That is, lead service line replacements should be performed on both the upstream and the downstream sides of the meter. The grant funds will assist the City's Department of Public Utilities in the performance of this work.

In its effort to encourage the full replacement of lead services (from the main to the foundation), the Virginia Department of Health has authorized \$500,000 to be provided to the City to pay for an estimated 200 private property lead service lines in fiscal year 2018. DPU has sufficient funds to

complete the portion of the lead service lines in public right-of-way. This grant will be used to pay for the lead service line replacements on private property and to pay for up to \$100,000 in Administrative fees to establish the necessary legal documents to allow the DPU to manage this program to include: selection of the approximately 200 properties where grant-funded lead service line replacements will be done; public outreach to advertise the program and public education related to mitigation of health impacts due to lead service lines.

RECOMMENDATION: Authorize the Chief Administrative Officer to execute this Grant Agreement.

FISCAL IMPACT / COST: None, DPU is already funded in FY18 to replace over 200 lead service lines in the public right-of-way.

FISCAL IMPLICATIONS: \$500,000 increase to the Water Utility's FY18 CIP budget.

BUDGET AMENDMENT NECESSARY: Yes to increase the Water Utility's FY18 CIP budget.

REVENUE TO CITY: \$500,000

DESIRED EFFECTIVE DATE: On approval.

REQUESTED INTRODUCTION DATE: November 13, 2107.

CITY COUNCIL PUBLIC HEARING DATE: December 11, 2017

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Requesting waiver of Council Committee review in accordance with Section VI, Procedures for Committee Referral of City Council Rules of Procedures for City Council, dated March 27, 2017.

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: N/A

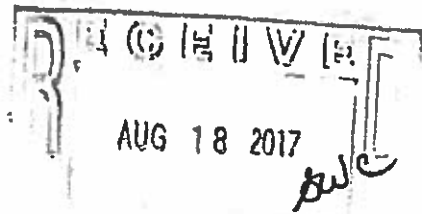
AFFECTED AGENCIES: DPU

RELATIONSHIP TO EXISTING ORD. OR RES.: None

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: Commonwealth of Virginia Department of Health Office of Drinking Water Award Letter dated August 11, 2017
Drinking Water Grant Agreement VDH Grant Number: WSAG-001-18

STAFF: Rosemary Green, Interim Director Department of Public Utilities, 646-8517



COMMONWEALTH of VIRGINIA

Marissa J. Levine, MD, MPH, FAAFP
State Health Commissioner

DEPARTMENT OF HEALTH
OFFICE OF DRINKING WATER

Madison Building
109 Governor Street, 6th Floor
Richmond, VA 23219
Phone: 804-864-7500
Fax: 804-864-7521

August 11, 2017

Subject: Richmond City of
Water – City of Richmond DPU
Lead Service Line Replacements
WSAG - 001-18

Mrs. Rosemary H. Green, Deputy Director II
City of Richmond
730 East Broad St
Richmond, VA 23225

Reviewed RFG
09-19-17

Re: Virginia Water Supply Assistance Grant (WSAG)
Financial and Construction Assistance
Lead Service Line Replacement Grant

Dear Mrs. Green:

Enclosed is the Drinking Water Grant Agreement which reflects funding not to exceed \$500,000 for the above referenced project. The agreement includes the information you provided in your application for project description, costs, and activities start and completion dates or was provided based on our project experience.

Review the Agreement thoroughly and indicate your acceptance by signing on page 4. Should you deem it necessary to make any changes to the Agreement, please do so on the enclosed document and initial and date the changes.

Please note the following general conditions that must be satisfied with this grant agreement:

1. Before any disbursement can be made, you will be required to submit documentation that you have properly procured the services of an engineer, other professional contractors, or construction contractors as needed. Conformance to the Virginia Public Procurement Act is required, including the procurement of professional services.
2. Once all appropriate documentation and approvals have been received, a request for disbursement may be submitted for eligible costs incurred. Please refer to Article IV of the attached Agreement.
3. The terms and conditions of this agreement take effect no earlier than July 1, 2017 with project completion by June 30, 2018. Please refer to Article II of the attached Agreement.

Mrs. Rosemary H. Green, Deputy Director II
August 11, 2017
Page 2

Please send the following information to Mr. Howard Eckstein, Project Officer, at the address above within 30 days of the date of this letter if the procurement of engineering or other professional services has actually occurred. If procurement has not yet occurred, please provide us with the documentation as soon as possible.

If you procure by Request for Proposal (RFP) or a Request for Quotation (RFQ), please provide:

1. Professional Services Procurement Review Checklist (if applicable, template attached)
2. Proof of date RFP or RFQ was issued (Certificate of Publication, or eVA report if applicable)
3. Copy of evaluation criteria used (if applicable)
4. Ranking of respondents (if applicable)
5. Statement detailing with whom negotiations were conducted (if applicable)
6. Copy of executed contract after VDH approves procurement (if applicable)

If you procure under the Small Purchases provision of the Virginia Public Procurement Act for professional services, which are expected not to exceed \$60,000, your procurement may be performed in accordance with Section 2.2-4303(G) of the Act. Attached is a form which may assist you in documenting your conformance with this Act. Please complete this form and provide items 1, 2, and 7 listed above.

If you have any questions or need clarification concerning the foregoing, please contact me at 804-864-7489. **Please return the Agreement to me within 30 days from the date of this letter.**

Sincerely,



Steven D. Pellei, PE, Director
Division of Construction Assistance, Planning, and Policy

Enclosure

cc: Keith Kornegay, PE, FCAP Acting Project Supervisor, Lexington FO (w/enclosure)
Howard Eckstein, FCAP Project Officer, ODW Central Office (w/enclosure)

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HEALTH

DRINKING WATER SUPPLY ASSISTANCE GRANT FUND PROGRAM

DRINKING WATER GRANT AGREEMENT

VDH Grant Number: WSAG-001-18

This agreement entered into this 1 day of July, 2017 by, City of Richmond DPU a community waterworks owner, herein after called the "Grantee" and the Commonwealth of Virginia, Virginia Department of Health, herein after called the "Department".

WITNESSETH that the Grantee and the Department, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

ARTICLE I
DEFINITIONS

1.0 The capitalized terms contained in this Agreement shall have the meanings set forth below unless the context requires otherwise:

- (a) "Activity" means Project Activity which constitutes a specific portion of the project, and as such is covered by its own budget account.
- (b) "Agreement" means this Grant Agreement between the Department and the Grantee, together with any amendments or supplements hereto.
- (c) "Authorized Representative" means any member, official or employee of the Grantee authorized by resolution, ordinance or other official act of the governing body of the Grantee to perform the act or sign the document in question.
- (d) "Consulting Engineer" means the Grantee's engineer who must be a licensed professional engineer registered to do business in Virginia and designated by the Grantee as the Grantee's engineer for the Project in a written notice to the Department.
- (e) "Director" means the Director of the Office of Purchasing and General Services of the Department.
- (f) "Grant" means the particular grant described in this Agreement, with such changes thereto as may be approved in writing by the Department and the Grantee.
- (g) "Grantee" means the entity which is the recipient of Planning Grant funds and as such must comply with this Agreement.
- (h) "Project" means the particular scope of work described in Exhibit A to this Agreement.

(i) "Project Budget" means the budget for the Project as set forth in Exhibit A to this Agreement, with such changes therein as may be approved in writing by the Department and the Grantee.

(j) "Project Costs" means the cost of various Project Activities described in the Project Budget.

ARTICLE II SCOPE OF PROJECT

2.0 The Grantee will cause the Project to be completed as described in Exhibit A to this Agreement. Failure to do so will result in the Grantee repaying any funds received. The terms and conditions of this agreement take effect no earlier than July 1, 2017 with project completion by June 30, 2018. The Department reserves the right to de-obligate any scope of service or payments not completed at this time.

ARTICLE III SCHEDULE

3.0 The Grantee will cause the Project to be completed in accordance with a project schedule showing the items to be accomplished, when and by whom. Refer to Exhibit A to this Agreement. The Department's more complete four page schedule may be required. The Grantee will designate a contact person to coordinate and implement needed actions.

ARTICLE IV COMPENSATION

4.0 Grant Amount. The total grant award from the Department under this Agreement shall not exceed \$500,000 (five hundred thousand dollars) Disbursement of the Grant will be in accordance with the payment provisions set forth in Section 4.1 herein and the Project Budget.

4.1. Application of Grant Funds. The Grantee agrees to apply the Grant solely and exclusively to the payment, or the reimbursement of the Grantee for the payment of Project Costs. The Department will disburse the Grant to the Grantee upon receipt by the Department of the following:

(a) A requisition approved by the Department, signed by the Authorized Representative and containing a Schedule I, all receipts, vouchers, statements, invoices or other evidence of the actual payment of Project Costs or that the Projects Costs have been incurred, and all other information called for by, and otherwise being in the form of, Exhibit B to this Agreement. The final request for disbursement should be supported by any approval letters called for in Exhibit A.

(b) If any requisition includes an item for payment for labor or to contractors, builders or materialmen, a certificate, signed by the Consulting Professional, stating that such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Project.

4.2 Availability of Funds. The Department may terminate this Agreement in the event the funds allocated are no longer available.

4.3 Agreement to Complete Project. The Grantee agrees to cause the Project to be completed as described in Exhibit A to this Agreement, and in accordance with the schedule in Exhibit A to this Agreement.

ARTICLE V
GENERAL PROVISIONS

5.0 **Disclaimer.** Nothing in this Agreement shall be construed as authority for either party to make commitments which will bind the other party beyond the covenants contained herein.

5.1 **Non-Discrimination.** In the performance of this Agreement, the Grantee warrants that it will not discriminate against any employee, or other person, on account of race, color, sex, religious creed, ancestry, age, national origin or other non-job related factors. The Grantee agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

5.2 **Conflict of Interest.** The Grantee warrants that it has fully complied with the Virginia Conflict of Interest Act as it may apply to this Agreement.

5.3 **Applicable Laws.** This Agreement shall be governed in all respects whether as to validity, construction, capacity, performance or otherwise, by the laws of the Commonwealth of Virginia. The Grantee further agrees to comply with all laws and regulations applicable to the Grantee's performance of its obligations pursuant to this Agreement.

5.4 **Procurement of Services.** The Grantee agrees to fully comply with the provisions of the Virginia Public Procurement Act, in the procurement of services pursuant to this Agreement.

5.5 **Records Availability.** The Grantee agrees to maintain complete and accurate books and records of the Project Costs, and further, to retain all books, records, and other documents relative to this Agreement for three (3) years after final payments. The Department, its authorized agents, and/or State auditors will have full access to and the right to examine any of said materials during said period. Additionally, the Department and/or its representatives will have the right to access work sites during normal business hours, after reasonable notice to the Grantee, for the purpose of ensuring that the provisions of this Agreement are properly carried out.

5.6 **Liability Insurance.** The Grantee shall take out and maintain during the life of this Agreement such bodily injury and property damage liability insurance, or self-insurance as shall protect it, to such an extent as is usual and customary for the Grantee, from claims for damages for personal injury, including death, as well from claims for property damage, which may arise from its activities under this Agreement.

5.7 **Severability.** Each paragraph and provision of this Agreement is severable from the entire Agreement; and if any provision is declared invalid, the remaining provisions shall nevertheless remain in effect.

5.8 **Exhibits.** All exhibits to this Agreement are incorporated herein by reference.

5.9 **Termination.** This Agreement may be terminated if insufficient progress is being made on the project.

ARTICLE VI
SPECIAL CONDITIONS

6.0 The special conditions associated with this project are noted below.

(a) Grantee will provide proof the line replaced was lead (picture, other certification).

(b) Grantee will provide proof the line was replaced (final inspection report, contractor invoice, and other certifications).

- (c) Grantee will provide proof that customer's premise lines were flushed after the LSL is replaced (incorporated in certification)
- (d) Grantee will establish an educational component in their program and provide proof that educational materials were delivered to customer as part of replacement activities (incorporated in certification)
- (e) Grantee will provide proof of cost (contractor invoice, other documentation).
- (f) Grantee will apply for environmental review Categorical Exclusion.
- (g) There will be a project kick-off meeting before initiating LSL replacements.
- (h) Grantee should submit interim reimbursement requests quarterly. The final request is due by July 30, 2018.
- (i) Grantee will provide a summary report noting number of LSL replaced, estimate of LSL remaining, and project benefits at the conclusion of the project.
- (j) VDH ODW reserves the right to conduct project and records inspections.
- (k) VDH ODW reserves the right to authorize reimbursement for eligible activities executed prior to the effective date of this agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed intending to be bound thereby.

GRANTEE

City of Richmond DPU

FEI/FIN: _____

Name: _____
Authorized Representative

Signature: _____
Authorized Representative

Title: _____

Date: _____

DEPARTMENT

Virginia Department of Health

FEI/FIN: 54-6001775

By: _____

Signature: _____

Title: Acting Director, Office of Drinking Water

Date: _____

Steven D. Pellei, PE

Date

Financial and Construction Assistance Programs

EXHIBIT A

PROJECT DESCRIPTION, BUDGET & SCHEDULE

Grant #: WSAG - 001-18

Grantee: City of Richmond DPU

Project: Lead Service Line Replacement

The scope of the project is to fulfill full replacement of lead service lines within the Grantee's service area. Execution of replacement activities is expected between July 1, 2017 and June 30, 2017.

The following budget should reflect all grant eligible costs associated with the project.

ACTIVITY	ESTIMATED COST	START DATE	PROJECTED COMPLETION DATE
LSL Replacements Administration	\$100,000	7/1/2017	6/30/2018
LSL Replacements (meter to house)	\$400,000	7/1/2017	6/30/2018
LSL Replacements (main to meter; by Grantee)	\$500,000	7/1/2017	6/30/2018
TOTAL =	\$1,000,000		
<i>(VDH grant funding will not exceed \$500,000. The owner will provide or obtain needed funds to fully complete this grant activity.)</i>			

VDH reserves the right to: (1) authorize reimbursements as indicated in Article VI of the Agreement and (2) bypass the construction grant and withdraw funding if the above schedule is not met.

EXHIBIT B
REQUISITION FOR DISBURSEMENT
(To Be on Grantee's Letterhead)

Date

Subject:

Water -

- WSAG - 001-18

Mr. Steven D. Pellei, P. E., Director
Financial and Construction Assistance Programs
VDH-Office of Drinking Water
Madison Building, 6th Floor
109 Governor Street
Richmond, Virginia 23219

Re: Water Supply Assistance Grant (WSAG) Program
Grant Agreement
Requisition for Disbursement

Dear Mr. Pellei:

This requisition, Number _____, is submitted in connection with the Grant Agreement, dated _____, 20__ between the Virginia Department of Health (Department) and the _____ ("Grantee"). Unless otherwise defined in this requisition, all capitalized terms used herein shall have the meaning set forth in Article I of the Grant Agreement. The undersigned Authorized Representative of the Grantee hereby requests disbursement of proceeds under the Grant Agreement in the amount of \$_____, for the purposes of payment of the Project Costs as set forth on Schedule 1 attached hereto.

Attached hereto are invoices relating to the items for which payment is requested.

The undersigned certifies that the amounts requested by this requisition will be applied solely and exclusively to the payment, or the reimbursement of the Grantee for the payment, of Project Costs, and (b) any materials, supplies or equipment covered by this Requisition are not subject to any lien or security interest or such lien or security will be released upon payment of the requisition.

This requisition includes an accompanying Certificate of the Consulting Engineer as to the performance of the work (as applicable).

Sincerely,

(Authorized Representative of the Borrower)

Attachments

**SCHEDULE 1
WATER SUPPLY ASSISTANCE GRANT FUND PROGRAM
FORM TO ACCOMPANY REQUEST FOR DISBURSEMENT**

REQUISITION # _____

GRANTEE: _____

CERTIFYING SIGNATURE: _____

TITLE: _____

DATE: _____

VDH GRANT NUMBER: WSAG - 001-18

Cost Category	Amount Budgeted	Previous Disbursements	Expenditures This Period	Total Expenditures To Date	Net Balance Remaining
TOTALS:					

Total Amount \$ _____

Previous Disbursements \$ _____

This Request \$ _____

Grant Proceeds Remaining \$ _____

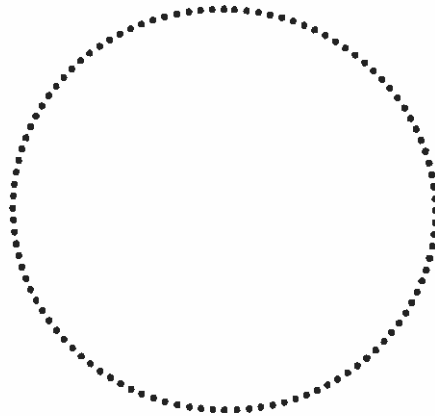
Virginia Department of Health
Water Supply Assistance Grant (WSAG) Program

**CERTIFICATE OF THE CONSULTING ENGINEER
FORM TO ACCOMPANY REQUEST FOR DISBURSEMENT**

VDH Grant # WSAG - 001-18

This Certificate is submitted in connection with Requisition Number _____, dated _____, _____, submitted by the _____ (borrower).
Capitalization terms used herein shall have the same meanings set forth in Article I of the Financing Agreement referred to in the Requisition.

The undersigned Consulting Engineer for the Borrower hereby certifies that insofar as the amounts covered by this Requisition include payments for labor or to contractors, builders or materialmen, such work was actually performed or such materials, supplies or equipment were actually furnished to or installed in the Project.



SEAL

Consulting Engineer

Date

Virginia Department of Health
Water Supply Assistance Grant (WSAG) Program