



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

**Department of Environmental  
Conservation**

DIVISION OF WATER  
DIRECTOR'S OFFICE

Post Office Box 111800  
Juneau, Alaska 99811-1800  
Main: 907.465.5300  
Fax: 907.465.5177  
[www.dec.alaska.gov](http://www.dec.alaska.gov)

May 26, 2015

Mr. Stephen Giesbrecht  
Borough Manager  
Petersburg Borough  
P.O. Box 329  
Petersburg, AK 99833

Dear Mr. Giesbrecht:

Enclosed for signature is the Grant Offer in the amount of \$1,714,125 for the Wastewater System Improvements Municipal Matching Grant No. 68535.

If satisfactory, please sign and return the original, along with a formal resolution. In the resolution the Grantee must agree to accept responsibility to operate and maintain the proposed wastewater utility improvements and agree to the terms and conditions of the grant offer.

Please return the signed original grant offer and resolution to the following address:

Alaska Department of Environmental Conservation  
Division of Water, Municipal Matching Grants & Loans Program  
Attn: MAT (Municipal Administrative Team)  
P.O. Box 111800  
410 Willoughby Avenue, Suite 303  
Juneau, AK 99811-1800

Upon receiving the signed original grant offer and resolution, the Department will proceed with the final signature. Once the grant offer is fully signed, a copy of the fully signed document will be e-mailed to you for your records. If you have any questions regarding this grant offer you may contact Mike Lewis, Municipal Grants and Loans Program Manager at 907-269-7616 or Mike Phillips, Project Engineer at 907-269-7615.

Sincerely,

A handwritten signature in blue ink that reads "Michelle Hale".

Michelle Hale  
Director

Enclosure: MMG#68535 Grant Offer



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May 26, 2015

Mr. Stephen Giesbrecht  
Borough Manager  
Petersburg Borough  
P.O. Box 329  
Petersburg, AK 99833

Grant Offer: Wastewater System Improvements (MMG#68535)

Dear Mr. Giesbrecht:

In accordance with AS 46.03.030, the Department of Environmental Conservation (Department) is pleased to offer the Petersburg Borough (Grantee) a grant of funds not to exceed \$1,714,125.

**Project Description:** This project will remove a 50 year old iron sewage force main from a corrosive marine environment and reinstall it in a State of Alaska right of way. Work will entail installing a sewage force main, upgrading two pump stations, and upgrading the sewer system within the immediate area.

The estimated cost for this project, as provided by the Grantee, is \$2,448,750. However, pursuant to AS 46.03.030(e), the grant amount is limited to the available appropriation of \$1,714,125 and 70 percent of eligible project costs. To receive the full amount of grant funding available, eligible project costs must total at least \$2,448,750 (70 percent of this amount is equal to the funding available in this grant.)

This grant will be administered by the Department using funds which were included in the State fiscal year 2015 capital budget bill (SB 119) allocation for this project.

This grant is 100% funded by state general funds.

This offer is expressly conditioned upon the Grantee accepting the offer and agreeing to comply with the terms and limitations contained herein, in 2 AAC 45.010 (enclosed), in 18 AAC 73 (enclosed), and is based upon estimated eligible project costs as itemized below:

Project Cost Summary	Estimated Eligible Project Costs
1. Administrative	\$0
2. Engineering Design	\$254,009
3. Engineering Construction	\$238,000
4. Construction	\$1,466,319
5. Equipment	\$0
6. Other	\$0
7. Project Contingencies	\$490,422
8. Total Estimated Eligible Project Costs	\$2,448,750
9. State Grant	\$1,714,125

Adjustment of expenditures within the budgeted cost items is allowed. If actual project costs are less than the total estimated eligible matching costs, the grant will be reduced to the extent necessary to comply with the percentage limitation set forth in this offer.

Grant payments will be made when expenses have been incurred and documentation has been provided to the Department along with the payment request form, unless a payment schedule is established as a special condition of this grant. Payments will normally be made monthly, but no more frequently than twice per month. All requests for payment must be submitted on the enclosed Request for Payment form. The Request for Payment form can also be found at:

<http://dec.alaska.gov/water/munigrant/forms.html>.

The Grantee should scan the Request for Payment Form and backup documentation and e-mail it both to the project engineer for eligibility review, and to the Municipal Administrative Team (MAT) at:

[mike.phillips@alaska.gov](mailto:mike.phillips@alaska.gov)  
[DEC.Water.MGL.MAT@alaska.gov](mailto:DEC.Water.MGL.MAT@alaska.gov)

Mail the original signed Request for Payment Form to the address noted below; backup documentation to the pay request does not need to be mailed.

If the Grantee does not have scanning capability, the Request for Payment Form and backup documentation should be mailed to:

Alaska Department of Environmental Conservation  
Division of Water, Municipal Matching Grants & Loans Program  
Attn: MAT (Municipal Administrative Team)  
P.O. Box 111800  
410 Willoughby Avenue, Suite 303  
Juneau, AK 99811-1800

Pay request(s) totaling less than one thousand dollars may be held for payment until the one thousand dollar threshold is met. Upon the threshold being met, the Department will proceed with payment.

GENERAL GRANT CONDITIONS

1. Plan Approval: The Grantee agrees to obtain plan and specification approval from the Department in accordance with 18 AAC 73.020 prior to issuing a Notice to Proceed with Construction to a contractor.
2. Contract Award and Contractor Bonding Requirements:
  - a. The Grantee agrees to bid construction contracts exceeding \$50,000. Adequate time (not less than 30 days) shall be allowed between the date of formal advertisement and the date the bids must be submitted.
  - b. The Grantee agrees to submit procedures for award of construction contracts of less than \$50,000 to the Department for prior approval when means other than the competitive bidding process are proposed.
  - c. The Grantee must require the contractor to furnish performance and payment bonds in accordance with AS 36.25.010.
  - d. If local or federal ordinances or regulations also apply to the contract award or contractor bonding requirements for this project, the most stringent requirements shall apply.
  - e. The Grantee agrees to provide the Department with a summary of itemized bid tabulations, a copy of the Notice to Proceed, and a copy of the construction contract.
3. Change Orders: The Grantee agrees that all project change orders will be submitted to the Department for approval in accordance with 18 AAC 73.020(e).
4. Project Completion: The Grantee agrees to provide sufficient local funding to match State and federal grant assistance and to ensure the completion of a properly functioning project in accordance with 18 AAC 73.020(j).
5. Operation and Maintenance: The Grantee agrees to operate and maintain the completed project.
6. Titles and Easements: The Grantee agrees to obtain all titles and easements necessary to provide clear title or authority to construct and maintain the proposed project.
7. Eligibility: The Grantee acknowledges that disbursement of progress payments by the State does not constitute acceptance of any item as an eligible project cost until all project costs are audited and determined to be eligible. Ineligible project costs must be included in the final audit report.
8. Inspection: The Grantee agrees to allow, at any reasonable time, Department inspection of all project work and audit of related records and data for which this grant is offered.

9. Records: The Grantee agrees to maintain project accounts and records which verify the grant eligibility of project expenditures. These accounts and records shall be kept apart from non-grant eligible local records and from those records maintained for the purpose of other State or federal grant programs involved in the project.
  10. Progress Reports: The Grantee agrees to submit progress reports on the proposed project with each payment request or at a minimum, quarterly.
  11. Construction Start Date: The Department will in its discretion, withdraw an accepted grant if construction has not been started within one year after the date of the offer was extended in accordance with 18AAC 73.030 (f).
  12. Project End Date: Funds made available to a grantee under a fully executed signed grant agreement by the Department shall be expended within three years from the start of the fiscal year in which the funds were appropriated. A one-year extension may be granted by the Department upon written request and good cause shown by the grantee. A request for extension must be submitted to the Department prior to the project end date and will only be considered for completion of work identified in the original project description. The Department may cancel the project and seek to have the funds de-obligated.
- State Fiscal Year (2015) funds must be spent by June 30, 2017. The final pay request must be submitted August 15, 2017.**
13. Remaining Funds after Project Completion: If the entire grant amount is not utilized for the original scope of work, the Department will seek to de-obligate the remaining funds.
  14. Americans with Disabilities Act: The Grantee must certify that projects and services provided under this grant are made available to the general public in compliance with the Americans with Disabilities Act of 1990.
  15. Discrimination: The Grantee agrees to administer this grant in a non-discriminatory manner. No person shall be discriminated against based on race, religion, color, national origin, gender or disability.
  16. Damages: The Grantee shall hold and save the Department, its officers, agents, and employees harmless from liability of any kind, including costs and expenses, for or on account of any and all suits or damages of any nature, sustained by any person or persons or property, by virtue of performance of the grantee, or any person or entity acting in place of or for the Grantee for this project.
  17. Grant Cancellation: The Grantee acknowledges the right of the Department to rescind this grant and seek recovery of payments already made if the Grantee has provided incorrect or misleading information to the Department or if a grant condition contained herein or in 18 AAC 73 is violated. This grant offer may be terminated at any time it is in the best interest of the State to do so.

**SPECIAL GRANT CONDITIONS**

**For the purpose of grant eligible costs July 1, 2014 is the effective date of this grant offer.**

Please carefully review this grant offer, the related grant conditions, and the enclosed regulations. If satisfactory, sign and return the original, along with a formal resolution accepting the grant enacted by the Petersburg Borough.

In the resolution the Grantee must agree to accept responsibility to operate and maintain the proposed wastewater utility improvements and agree to the terms and conditions of this grant offer.

Mail signed originals (grant offer and resolution) to the following address:

Alaska Department of Environmental Conservation  
Division of Water, Municipal Matching Grants & Loans Program  
Attn: MAT (Municipal Administrative Team)  
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Acceptance of the grant is required within six months (180 days) of the date the grant offer is extended to prevent revocation of the offer. No payment can be made until this grant offer is signed by the Grantee and by the Department. Nothing in this offer, whether or not accepted, may be deemed to constitute a contractual obligation on the part of the Department until a resolution of acceptance has been received.

The Department is pleased to offer this assistance to the people of Petersburg.

Sincerely,



Michelle Hale  
Director

Enclosures: 2 AAC 45.010 Audit Guide and Compliance Supplement for State Single Audits  
18 AAC 73.010 Construction Grant Project Eligibility  
Request for Payment Form

cc: The Honorable Bert Stedman, Alaska State Senate  
The Honorable Jonathan Kreiss-Tomkins, Alaska State House of Representatives  
Mike Phillips, ADEC Project Engineer

**BY SIGNING BELOW, THE PARTIES AGREE TO BE BOUND BY THE TERMS OF  
THIS AGREEMENT.**

***Petersburg Borough***

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

***Alaska Department of Environmental Conservation***

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature