

City of Ironwood
213 S. Marquette St.
Ironwood, MI 49938



Phone: (906) 932-5050
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www.ironwoodmi.gov

IRONWOOD

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AGENDA
REGULAR IRONWOOD CITY COMMISSION MEETING
MONDAY, JULY 10, 2023

LOCATION: IRONWOOD MEMORIAL BUILDING
COMMISSION CHAMBERS
213 S. MARQUETTE ST.
IRONWOOD, MI 49938

Regular Meeting - 5:30 P.M.

ZOOM OPTION AVAILABLE FOR THE PUBLIC

(Please visit the City website at www.ironwoodmi.gov or the notice posted at the Memorial Building for Zoom Webinar login instructions.)

REGULAR MEETING
5:30 P.M.

- A. Regular Meeting Called to Order.
Pledge of Allegiance to the United States of America.
- B. Recording of the Roll.
- C. Approval of the Consent Agenda. *
All items with an asterisk () are considered to be routine by the City Commission and will be enacted by one motion. There will be no separate discussion of those items unless a Commission member or citizen so requests, in which event the item will be removed from the General Order of Business and considered in its normal sequence on the agenda.*
- *1) Approval of Minutes:
 - a. Regular City Commission Meeting Minutes of June 26, 2023.
 - b. Special City Commission Meeting Minutes of June 29, 2023.
- D. Approval of the Agenda.
- E. Citizens wishing to address the Commission on Items on the Agenda. (Three Minute Limit).
- F. Citizens wishing to address the Commission on Items not on the Agenda. (Three Minute Limit).



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OLD BUSINESS

- G. Discuss and consider authorizing Payment #14 to Flowtrack Mountain Bike Trails, LLC in the amount of \$6,166.86 for the MDNR Trust Fund Mountain Bike Trail Project in Miners Memorial Heritage Park.
- H. Discuss and consider Change Order 1 to the Parks Mowing Contract for 4 Seasons Lawn and Property Services, Inc.

NEW BUSINESS

- I. Discuss and consider introduction of Ordinance Number 541, an Ordinance to amend Section 17-71 of Chapter 17, Article V. Snow Dumping, of the Code of Ordinances.
- J. Discuss and consider approving Loan Resolution #023-018 for incurring indebtedness with United States Department of Agriculture (USDA) Rural Development for the Water Treatment Plant Project in the amount of \$361,000 and authorize the Mayor to sign.
- K. Discuss and consider approving Loan Resolution #023-019 for incurring indebtedness with USDA Rural Development for the Water Treatment Plant Project in the amount of \$5,439,000 and authorize the Mayor to sign.
- L. Discuss and consider approving a Grant Agreement between the USDA Rural Development and the City of Ironwood for a \$5,800,000 grant awarded to help fund the Water Treatment Plant Project.
- M. Discuss and consider a one-time \$5,000 stipend payment for the City Manager.
- N. Manager's Report.
- O. Other Matters.
- P. Adjournment.

Proceedings of the Ironwood City Commission Meeting

A Regular Meeting of the Ironwood City Commission was held on June 26, 2023, at 5:30 P.M., in the Commission Chambers, Second Floor of the Municipal Memorial Building in the City of Ironwood.

A. Mayor Corcoran called the Regular Meeting to Order at 5:30 P.M.

B. Recording of the Roll.

PRESENT: Commissioners Korpela, Mildren, Semo, Andresen, and Mayor Corcoran

ABSENT: None

C. Approval of the Consent Agenda.

1) Approval of Minutes:

a. Regular City Commission Meeting Minutes of June 12, 2023.

2) Review and Place on File:

a. Ironwood Housing Commission Meeting Minutes of May 9, 2023.

***Motion** was made by Korpela, seconded by Semo, to approve the Consent Agenda as presented. Unanimously passed by roll call vote.*

D. Approval of the Agenda.

***Motion** was made by Mildren, seconded by Korpela, and carried, to amend the Agenda to remove New Business items R. Consider Closed Session to discuss labor negotiations and agreement with Ironwood Professional Police Association (IPPA) as permitted under MCL 15.268 Section 8(c), and S. Return to Open Session.*

E. Review and Place on File:

1. Revenue & Expenditure Report.

2. Cash and Investment Summary Report.

***Motion** was made by Semo, seconded by Mildren, and carried, to receive and place on file the Statement of Revenue & Expenditures Report for the month ending May 31, 2023, and the Cash and Investment Summary Report for May 2023.*

F. Approval of Monthly Check Register Report.

***Motion** was made by Semo, seconded by Mildren, to approve the Check Register Report for May 2023. Unanimously passed by roll call vote.*

G. Citizens wishing to address the Commission on Items on the Agenda. (Three Minute Limit).

There were none.

H. Citizens wishing to address the Commission on Items not on the Agenda. (Three Minute Limit).

There were none.

OLD BUSINESS

- I. Discuss and consider a Michigan Department of Transportation Agreement for the Van Buskirk Road re-paving project with an \$87,500 local match and authorize the City Manager to sign the Agreement.

Motion was made by Mildren, seconded by Andresen, to approve the Michigan Department of Transportation Agreement for the Van Buskirk Road re-paving project with an \$87,500 local match and authorize the City Manager to sign the Agreement. Unanimously passed by roll call vote.

- J. Discuss and consider obligating \$1,400 of the Xcel Energy Permanent Right of Way easement funds for property restoration of Miners Memorial Heritage Park.

Motion was made by Mildren, seconded by Korpela, to obligate \$1,400 of the Xcel Energy Permanent Right of Way easement funds for property restoration of Miners Memorial Heritage Park. Unanimously passed by roll call vote.

- K. Discuss and consider approval of Contractor's Pay Application No. 1 in the amount of \$31,065.00 for the City of Ironwood – Margaret Street Culvert Project and authorize Mayor to sign all applicable documents.

Motion was made by Andresen, seconded by Semo, to approve the Contractor's Pay Application No. 1, to Ruotsala Construction, Inc., in the amount of \$31,065.00 for the City of Ironwood – Margaret Street Culvert Project and authorize Mayor to sign all applicable documents. Unanimously passed by roll call vote.

- L. Discuss and consider approval of Contractor's Pay Application No. 1 in the amount of \$135,004.60 for the City of Ironwood – Sewer Lining Project and authorize Mayor to sign all applicable documents.

Motion was made by Mildren, seconded by Korpela, to approve the Contractor's Pay Application No. 1, to Visu-Sewer, Inc., in the amount of \$135,004.60 for the City of Ironwood – Sewer Lining Project and authorize Mayor to sign all applicable documents. Unanimously passed by roll call vote.

NEW BUSINESS

- M. Discuss and consider adopting Resolution #023-014 to transfer delinquent invoices for ordinance violations to the July 2023 City Tax Roll.

Motion was made by Semo, seconded by Mildren, to adopt Resolution #023-014 to transfer delinquent invoices for ordinance violations to the July 2023 City Tax Roll. Unanimously passed by roll call vote.

- N. Discuss and consider adopting Resolution #023-016 Amending the General Appropriations Act for Fiscal Year 2022-2023.

Motion was made by Semo, seconded by Korpela, to adopt Resolution #023-016 Amending the General Appropriations Act for Fiscal Year 2022-2023. Unanimously passed by roll call vote.

O. Mayor's Appointments.

Mayor Corcoran re-appointed Robert Alexander, Nancy Korpela, and Roberta Sardina, to the Downtown Ironwood Development Authority for 4-year terms (terms expiring June 30, 2027).

Motion was made by Mildren, seconded by Semo and carried, to approve the Mayor's re-appointment of Robert Alexander, Nancy Korpela, and Roberta Sardina, to the Downtown Ironwood Development Authority for 4-year terms (terms expiring June 30, 2027).

Mayor Corcoran re-appointed Jake Ring and Thomas Kangas to the Parks and Recreation Committee for 3-year terms (terms expiring July 1, 2026).

Motion was made by Semo, seconded by Mildren and carried, to approve the Mayor's re-appointment of Jake Ring and Thomas Kangas to the Parks and Recreation Committee for 3-year terms (terms expiring July 1, 2026).

Mayor Corcoran appointed Kenneth Raush to the Economic Development Corporation for a 6-year term (term expiring October 31, 2029).

Motion was made by Semo, seconded by Korpela and carried to approve the Mayor's appointment of Kenneth Raush to the Economic Development Corporation for a 6-year term (term expiring October 31, 2029).

P. Manager's Report.

City Manager Paul Anderson provided the following verbal updates:

Engineering Updates

1. The dry weather has finally been broken up with some much-needed rain this past weekend.
2. The water plant project received our Buy American waiver last week. We hope to have funding obligation later this week and are tentatively scheduling a Special City Commission meeting for Thursday night this week to be able to award the project to the Contractor prior to some of the bidding terms expiring on June 30th. Funding application through the State of Michigan for Phase 2 of the Water Plant has been submitted and we should know more about that in August 2023.
3. Hemlock Street construction project from Broadway to US2 continues with storm sewer installation this week. Pipe work excavation will continue for the rest of June and July and restoration work after that.
4. Downtown sewer main lining work continues with the actual sewer lining work occurring last week and continuing this week. The splash pad will be closed tomorrow while that area is worked on. Should just be a one day shut down.
5. The Margaret Street culvert has been installed and restoration work is being scheduled for after the 4th of July.

6. *Angelo Luppino is continuing pavement patch projects for the City of Ironwood through the GCRC contract.*
7. *Pavement striping work is continuing this week by PK Contracting.*
8. *Crack sealing contractor, Scodeller Construction from downstate Michigan, will be in town soon to crack seal the Norrie and Jessieville neighborhoods.*
9. *Miners Park Mountain Bike Trail project by Flow Track started the last week of May. Work is scheduled to be completed in late July or early August. The trails are open for use by the public. Signage is one of the last items that will be completed at the end of the project.*
10. *Engineering work for the \$3MIL lead service line project continues. We hope to have this project out to bid later this summer for construction through 2024 and 2025.*
Managers Updates
11. *Public Safety and Code enforcement have been working together on blight issues over the past two months. City DPW will be working on mowing grass blight violations in the days ahead.*
12. *The 100-year celebration of the Memorial Building will be on Friday July 7th at roughly 5 PM. We will be advertising the final schedule of events this next week. There will be band music played by Ironwood High School, members of Marty's and the Gogebic Range band will be present. Speeches by Mayor Corcoran and Commissioner Mildren and most importantly a photo recreation of the 1923 photograph that was taken at the original dedication. We anticipate this taking around 45 minutes and then encourage people to go visit the local businesses for food and refreshments afterwards for First Friday.*
13. *A reminder that the City offices will be closed on Tuesday July 4th for the Independence Day Holiday. City Hall will be open on Monday July 3rd.*
14. *The Curry Park Campground has been very busy, and our Campground Hosts are doing an excellent job. Revenue to date is \$26,240.*

Q. Other Matters.

Commissioner Mildren commented on how beautiful Ironwood's Downtown looks and how many people were enjoying the splash pad. A comment was also shared about not starting the live video for Commission meetings too soon before the meeting.

- R. Consider Closed Session to discuss the annual performance evaluation of the City Manager as permitted under MCL 15.268 Section 8(a).

***Motion** was made by Semo, seconded by Mildren, to enter in to Closed Session at 6:16 p.m. pursuant to MCL 15.268 Section 8(a), to discuss the annual performance evaluation of the City Manager. Unanimously passed by roll call vote.*

S. Return to Open Session.

***Motion** was made by Semo, seconded by Mildren, and carried to return to open session at 6:47 p.m.*

Mayor Corcoran verbally informed the public that City Manager Paul Anderson receives a very high-performance evaluation and that the Commission is extremely happy with his work.

T. Adjournment.

Motion was made by Semo, seconded by Mildren, and carried to adjourn the meeting at 6:49 P.M.

Kim S. Corcoran, Mayor

Jennifer L. Jacobson, City Clerk

Proceedings of the Special Ironwood City Commission Meeting

A Special Meeting of the Ironwood City Commission was held on Thursday, June 29, 2023 at 5:30 P.M., in the Commission Chambers, Second Floor of the Municipal Memorial Building in the City of Ironwood.

The purpose of the special meeting was to discuss and consider the following items:

1. Adopting Resolution #023-015 for awarding the bid for Construction of Phase I of the Water Plant to C.D. Smith Construction, Inc. in the amount of \$9,554,000
2. Approval of the City of Ironwood's application to the Michigan Economic Development Corporation for the Public Spaces Community Places Patronicity crowdfunding grant in the amount of \$50,000 to fund improvements to Hiawatha park and to allocate up to \$10,000 of matching funds for the project.
3. Adopting Resolution #023-017 for the Van Buskirk Road Paving Small Urban Project #23A0461 from Norrie Park Road to Clemens Street.

A. Mayor Corcoran called the Special Meeting to Order at 5:30 P.M.

B. Recording of the Roll.

PRESENT: Commissioners Korpela, Semo, and Mayor Corcoran.

ABSENT: Commissioners Andresen and Mildren (*both excused*)

C. Citizens wishing to address the Commission on Items on the Agenda. (Three Minute Limit)

There were none.

D. Discuss and consider adopting Resolution #023-015 for awarding the bid for Construction of Phase I of the Water Plant to C.D. Smith Construction, Inc. in the amount of \$9,554,000.

Motion was made by Semo, seconded by Korpela to adopt Resolution #023-015 for awarding the bid for Construction of Phase I of the Water Plant to C.D. Smith Construction, Inc. in the amount of \$9,554,000. Unanimously passed by roll call vote.

E. Discuss and consider approval of the City of Ironwood's application to the Michigan Economic Development Corporation for the Public Spaces Community Places Patronicity crowdfunding grant in the amount of \$50,000 to fund improvements to Hiawatha park and to allocate up to \$10,000 of matching funds for the project.

Motion was made by Semo, seconded by Korpela to approve the City of Ironwood's application to the Michigan Economic Development Corporation for the Public Spaces Community Places Patronicity crowdfunding grant in the amount of \$50,000 to fund improvements to Hiawatha park and to allocate up to \$10,000 of matching funds for the project. Unanimously passed by roll call vote.

F. Discuss and consider adopting Resolution #023-017, for the Van Buskirk Road Paving Small Urban Project #23A0461 from Norrie Park Road to Clemens Street.

Motion was made by Semo, seconded by Korpela to adopt Resolution #023-017, for the Van Buskirk Road Paving Small Urban Project #23A0461 from Norrie Park Road to Clemens Street. Unanimously passed by roll call vote.

G. Adjournment.

***Motion** was made by Semo, seconded by Korpela, and carried to adjourn the meeting at 5:46 P.M.*

Kim S. Corcoran, Mayor

Jennifer L. Jacobson, City Clerk



To: Mayor Corcoran and City Commission

From: Paul Anderson, City Manager

Date: July 6, 2023

Meeting Date: July 10, 2023

Re: Change Order 1 for 4 Seasons City Parks Mowing Contract

In the current contract, 4 Seasons has a price of \$85 to mow the Little League fields. While the fields were in use in May and June, the Little League volunteers were mowing the fields themselves so the City did not need to incur that expense. During that same time, the City DPW crews were backed up with other work caused by the snow fall that continued in to May causing a backup in workload. DPW asked 4 Seasons to mow the following three properties in the place of mowing the Little League Fields on a limited basis. The following are the unit prices for mowing those properties:

1. Empty City owned lot across from Memorial Building on the SE corner of Marquette and McLeod Ave. (Parcel ID's 52-22-404-010 and 52-22-404-020)
2. The Memorial Building (213 S. Marquette Street)
3. City owned vacant lots north of the overflow parking lot just west of the Memorial Building (212 and 214 Norfolk Street)

Staff recommends the approval of the unit price change order.



Change Order #1

Date: July 6, 2023

Contract: 4 Seasons City Parks Park Mowing Contract dated 10/12/2020

The following lots are hereby added to the existing contract with the unit rates as listed:

1. Empty City owned lot across from Memorial Building on the SE corner of Marquette and McLeod Ave. (Parcel ID's 52-22-404-010 and 52-22-404-020)
 - a. Unit Rate of Mowing is \$20 / occurrence.
2. The Memorial Building (213 S. Marquette Street)
 - a. Unit Rate of Mowing is \$38 / occurrence.
3. City owned vacant lots north of the overflow parking lot just west of the Memorial Building (212 and 214 Norfolk Street)
 - a. Unit Rate of Mowing is \$30 / occurrence.

Signed:

City of Ironwood

Date

Contractor

Date

City of Ironwood
213 S. Marquette St.
Ironwood, MI 49938



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To: Mayor Corcoran and City Commission

From: Tom Bergman, Community Development Director

Date: June 30, 2023 **Meeting Date:** July 10, 2023

Re: Introduction of Ordinance Number 541, Amending Sec. 17-71 – Snow Dumping

Background

Over the winter, the City received complaints regarding commercial snow dumping on residential lots. Currently the City has an ordinance that allows for snow dumping on Commercial and Residential lots with a permit. This amendment would prohibit the commercial dumping of snow on R-1, R-2, and R-4 residential districts. Commercial Snow dumping would still be allowed in the R-3 Rural Residential District, all Commercial Districts, and Industrial Districts.

Discussion

The snow dumping ordinance is not a zoning ordinance, but the purpose of zoning is to help eliminate conflicting uses that are directly adjacent to each other. The snow dumping ordinance allows for a commercial activity to take place in a residential area, increasing heavy machinery traffic and snowmelt runoff that can negatively impact residences. This amendment can help alleviate some of those conflicts by eliminating snow dumping from the higher density residential districts.

Commercial and residential snow storage is an on-going challenge in our city. This was very apparent this past winter with the extreme snowfall that occurred. By reducing the number of locations that commercial snow removal companies can deposit snow puts a burden on these businesses and the customers they serve. Currently the City does not have an alternative to replace the use of snow dumping in the residential areas.

Recommendation

Motion to acknowledge introduction of Ordinance Number 541 Amending Sec. 17-71 – Snow Dumping and schedule a Public Hearing for July 24, 2023 prior to the City Commission meeting.

Note: Over the summer it may make sense to continue discussions regarding snow dumping in the City and how to create more opportunities to help contractors and businesses remove and dispose of snow. For example, snow removal in the Downtown area is a high priority for the Downtown Ironwood Development Authority.



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AN ORDINANCE TO AMEND SECTION 17-71 OF CHAPTER 17, ARTICLE V. SNOW DUMPING, OF THE CODE OF ORDINANCES, CITY OF IRONWOOD, MICHIGAN

THE CITY OF IRONWOOD ORDAINS:

Section 1. Section 17-71 is amended to read as follows:

No person shall dump, deposit, place, store, unload or otherwise cause to be placed or deposited in or upon and property located in the R-1, R-2, or R-4 districts any snow from a non-adjacent property. Such snow dumping may be allowed in the other districts of the City but only after first obtaining a permit in accordance with Section 17-72.

Section 2. Repealer. Any Ordinance that is in conflict is hereby repealed.

Section 3. Severability. If any word, clause, sentence, paragraph, or provision of this ordinance is deemed to be invalid by a court of competent jurisdiction, such word, clause, sentence, paragraph or provision so designated shall be deemed severable and the remaining provisions of the ordinance shall be deemed fully enforceable.

Section 4. Effective Date. The terms and provisions of this ordinance shall become effective upon publication and adoption in accordance with law.

Adopted and approved by the City Commission of the City of Ironwood, Michigan, this ____ day of _____ 2023.

Effective: _____, 2023

KIM S. CORCORAN, MAYOR

ATTEST:

JENNIFER L. JACOBSON, CITY CLERK

Resolution #023-018

LOAN RESOLUTION

(Public Bodies)

A RESOLUTION OF THE _____

OF THE _____
AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A
PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the _____

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

_____ ; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture,
(herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921
et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event
that no other acceptable purchaser for such bonds is found by the Association:**NOW THEREFORE**, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as _____ of the _____
hereby certify that the _____ of such Association is composed of
_____ members, of whom , _____ constituting a quorum, were present at a meeting thereof duly called and
held on the _____ day of _____ ; and that the foregoing resolution was adopted at such meeting
by the vote shown above, I further certify that as of _____ ,
the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been
rescinded or amended in any way.

Dated, this _____ day of _____

Title _____

LOAN RESOLUTION

(Public Bodies)

A RESOLUTION OF THE _____

OF THE _____
AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A
PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the _____

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

_____ ; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture,
(herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921
et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event
that no other acceptable purchaser for such bonds is found by the Association:**NOW THEREFORE**, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as _____ of the _____
hereby certify that the _____ of such Association is composed of
_____ members, of whom , _____ constituting a quorum, were present at a meeting thereof duly called and
held on the _____ day of _____ ; and that the foregoing resolution was adopted at such meeting
by the vote shown above, I further certify that as of _____ ,
the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been
rescinded or amended in any way.

Dated, this _____ day of _____

Title _____

Water and Waste System Grant Agreement

United States Department of Agriculture

Rural Utilities Service

THIS AGREEMENT dated _____, between

a public corporation organized and operating under

(Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (waste) system to serve the area under its jurisdiction at an estimated cost of \$ _____ and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ _____ of the development costs through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of \$ _____ has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$ _____ or _____ percent of said project development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the Conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306(a) of The Consolidated Farm and Rural Development Act for the purpose only of defraying a part not to exceed _____ percent of the project development costs, as defined by applicable Rural Utilities Service instructions.

Grantee Agrees That Grantee Will:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes of service, adopted by resolution dated _____, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

[Revision 1, 04/17/1998]

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

[Revision 1, 04/17/1998]

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the property for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

(a) Equipment with a current per unit fair market value of less than \$5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of \$5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds for Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

(a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described equipment(use continuation sheets as necessary).

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland ``Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:

[Revision 1, 11/20/1997]

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

[Revision 1, 11/20/1997]

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term ``facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$_____ which it will advance to Grantee to meet not to exceed _____ percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

attested and its corporate seal affixed by its duly authorized

Attest:

By _____

(Title) _____

By _____

(Title) _____

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By _____

(Title)