

MEMBER COMMUNITY INFRASTRUCTURE PROGRAM POLICY

The member community Infrastructure Program (MCIP) is a funding program provided by the Northeast Ohio Regional Sewer District (District) to assist both member communities and other eligible public entities that own, operate and maintain public sewer infrastructure that is tributary to a District wastewater treatment plant, with cost-effective sewer infrastructure projects to address water quality and quantity issues associated with sewer infrastructure that adversely impact human health and the environment.

The intent of the MCIP is to provide an annual funding opportunity to member communities and eligible public entities for sewer infrastructure repair and rehabilitation that will:

- Continue progress towards environmentally sustainable and healthy communities through protection and improvement of the region's water resources consistent with the vision of the District.
- Support efforts to assist member communities' compliance with the Sewer District's Community Discharge Permit Program.
- Improve function and condition of the local sewer system.
- Identify and remove sources of inflow and infiltration (I/I) from the sewer system. This reduction would preserve the hydraulic capacity of the local and District sewer system and alleviate problems such as basement flooding.

Subject to available funding and District Board of Trustee (BOT) approval the District anticipates funds will be available annually through a competitive process. The District will annually review the terms and conditions of the MCIP and may modify these terms and conditions based on lessons learned from previous years. There are two mechanisms for funding under the MCIP: (a) MCIP Grant or (b) a Community Operating Lease. The District will determine the appropriate funding mechanism during the application review process. Applicants do not specify a funding preference.

All available MCIP funds will be provided by the District on a reimbursement basis to the member community or other eligible public entity for project costs, conditioned on the District's prior approval of the project and member community or eligible public entity compliance with this Policy and the District-approved Project Agreement. Funds must be used in accordance with the authorized amount indicated. Any funds not expended for the purposes agreed to by the member community or eligible public entity and the District shall remain with the District.

If the member community or other eligible public entity fails to maintain a project funded through the MCIP in accordance with applicable agreements executed with the District, it shall be liable for the full amount of MCIP funds paid for the project.

The District will provide an annual update to the BOT and member communities on MCIP projects.

MEMBER COMMUNITY INFRASTRUCTURE PROGRAM PROCESS OVERVIEW

Project Eligibility

A project must meet all the following minimum requirements to be eligible for MCIP funding:

- Reduce water quality and quantity issues that impact human health and the environment associated with combined or separate sanitary infrastructure problems, as determined by the District.
- Located in the District's sanitary sewer service area <http://arcg.is/2bPxzEt>.
- Include a minimum of 25% non-District funds dedicated to the project.
- Meet all applicable District, federal, state, and local regulations and requirements.
- Tributary to a District wastewater treatment plant.
- Owned, operated and maintained by a member community of the District or by an eligible public entity, which shall be a political subdivision of the State of Ohio.
- Not be the subject of a contract which transfers ownership of the project to a private entity.

To be eligible for MCIP funding, eligible public entities submitting proposals must, in addition to all other MCIP program requirements, provide a resolution or ordinance adopted by the member community legislative body in support of the project. Member communities and eligible public entities may use MCIP funds for planning, design, construction, and administrative costs directly associated with approved projects. Eligible projects include, but are not limited to the following:

- Mitigation of sanitary sewer overflows (SSOs) and illicit discharges,
- Mitigation of inflow and infiltration,
- Removal and elimination of failing home sewage treatment systems (HSTS),
- Increases to local sewer system's level of service, and
- Management of stormwater flow that enhance combined/sanitary level of service.

Application Process Overview

1. For each year of funding the District will issue a RFP to its member communities.
2. The forms for the application process are located at <http://www.neorsd.org/mcip>.
3. All proposals will be reviewed based on the scoring criteria found in the RFP.

4. The District's review committee will make the determination if the proposed project will be recommended for a grant or lease contract. If the Community Operating Lease option is selected, the member community or eligible public entity will be contacted to discuss the terms.
5. MCIP recommendations will go to the District's BOT for final approval.
6. Upon approval by the BOT, the District will enter into a MCIP Project Agreement for each awarded project with the applicable member community or eligible public entity.

Project Agreement

Projects approved by the BOT will be either funded through a MCIP Grant Agreement or a Community Operating Lease Agreement, depending on the District funding availability. The District's Legal Department will prepare the appropriate MCIP Project Agreement between the District and the member community or eligible public entity.

MCIP Grant Agreement – The member community or eligible public entity is responsible for the full implementation of the MCIP project as defined in the RFP. At a minimum, the MCIP Grant Agreement will contain the following provisions requiring the member community or eligible public entity to:

- Bid, construct and manage the MCIP project;
- Obtain all necessary approvals and permits and pay all applicable fees connected with the MCIP Project;
- Obtain all easements, rights of entry, and other legal agreements necessary to complete the MCIP Project;
- Maintain and operate the MCIP Project during construction and after project completion for the life of the project; and
- Any other provision the District determines is necessary to ensure compliance with this Policy and protect the interests of the District.

Community Operating Lease Agreement – The member community or eligible public entity will be required to enter into an agreement containing, at a minimum, the following:

- A provision whereby the member community or eligible public entity leases the existing or planned sewer asset described in the MCIP Project proposal to the District for a nominal fee for a term to be agreed upon between the District and the member community or eligible public entity;
- A provision requiring the District to design, if design has not been finalized, and construct the MCIP Project;
- A provision requiring the member community or eligible public entity to waive all permit fees applicable to the MCIP Project during design and construction;
- A provision reverting the MCIP project back to the member community or eligible public entity at the end of the lease term;
- A provision requiring the member community or eligible public entity to maintain and operate the MCIP Project for the duration of the lease term; and
- Any other provision that the District determines is necessary to ensure compliance with this Policy and protect the interests of the District.

Reimbursement Overview - *How you will receive funding.*

MCIP funded projects are reimbursement only.

1. All requests for reimbursement for the project shall be documented to the District in reasonable satisfaction. All requests shall be submitted in a form sufficient to allow the District to review, inspect and approve materials, labor, and quantities installed for the project.
2. The member community or eligible public entity shall keep all records and documents relevant to the MCIP Project Agreement, including but not limited to, an accurate, current, and complete accounting of all financial transactions for the project. Such records and documents shall be available at reasonable times and places for inspection and copying by the District or any authorized representative thereof and shall be submitted upon request together with any other compliance information which may be reasonably required.
3. The member community or eligible public entity shall bear the risk and remain solely responsible for any payments made to third parties for work not approved by the District.

MEMBER COMMUNITY INFRASTRUCTURE PROGRAM PROCEDURES

Request for Proposals

The District intends to offer an annual Request for Proposals (RFP) to member communities and eligible public entity for the MCIP. The RFP includes project requirements, evaluation criteria, and schedule of deliverables.

Eligible Projects

Within the annual RFP, the District will list eligible projects. Projects not listed can be discussed with District staff for consideration.

Evaluation Criteria, Process, and Recommendations

Proposals must be submitted no later than the specified due date and time in the RFP. Any materials that are not included in the initial submission will not be considered. The proposals are checked for completeness, filed electronically, and disbursed to the selection committee for review.

Final recommendations for funding will be based on the value of the Project Evaluation criteria in the RFP and past performance. The selection of projects is solely at the District's discretion.

The final recommendations to the BOT must be approved by a Chief Executive Officer Committee consisting of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Director of Engineering and Construction, and Director of Watershed Programs.

Project Agreement

The District's Legal Department will send the Project Agreement to the primary project contact. The project commences under the MCIP when the Project Agreement is fully executed and a purchase order number has been issued.

Request for Budget Modification

Budget Modifications require the submission of a Request for Budget Modification form to the Watershed Funding Administrator.

For reimbursement, the Request for Budget Modifications must be received and approved prior to implementation.

Progress Reports

Progress Reports will provide a summary of the project status with respect to objectives, degree of Project completion, difficulties encountered, and next steps toward Project completion. The Progress Report is located at <http://www.neorsd.org/mcip>.

Progress Reports will be submitted:

- Within 30 days of written request from the District
- As an attachment to all Reimbursement Requests

Reimbursement Request

For reimbursement, 100% of the MCIP funds must be used for activities and/or expenses related to the project, as approved by the District. These activities and expenses may include design, construction, materials, equipment, project performance verification and signage specifically related to the project. Only project components described in the Project Agreement and/or approved Budget Modifications are eligible for reimbursement. Project costs incurred after the District's BOT has authorized entering into a Project Agreement but before the Project Agreement is fully executed, are eligible for reimbursement, with prior District approval. A Reimbursement Request for those costs cannot be submitted prior to a fully executed Project Agreement. Any Budget Modification must be documented by written District approval.

1. The Reimbursement Request forms can be found at <http://www.neorsd.org/mcip>, or other location designated by the District.
2. Itemize all reimbursable Project expenses on the Reimbursement Request – Deliverable Expense Worksheet. Include supporting documentation to justify the expenses recorded, such as an itemized bill, receipt, invoice, or time card. This must be accompanied by proof of payment, such as a credit card receipt, cancelled check, and/or other documentation to substantiate purchase and payment deemed acceptable by the District.
3. At a minimum, Reimbursement Requests must be submitted quarterly.
4. A complete Reimbursement Request submission will include:
 - Reimbursement Request – Cover Sheet
 - Reimbursement Request Deliverable Expense Worksheet w/supporting documentation
 - Progress Report
5. The Reimbursement Request shall be submitted to the Watershed Funding Administrator. Send submissions to:

Linda Mayer, Watershed Funding Administrator
mayerl@neorsd.org

6. Upon successful review of the submission by Watershed Funding Administrator and Manager of Watershed Programs, the District's Director of Watershed Programs will have the final review and approval of the Reimbursement Request for disbursement to occur.
7. The reimbursement can be anticipated within 30 days of the final approval of the Reimbursement Request.