

Town of Eureka

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March 25th, 2019

TO: Residents of Eureka in Wastewater Phase 1B project area

FROM: LeeAnn Schermerhorn, Mayor
Tracy McIntyre, Contracted Project Administrator

RE: Wastewater Phase 1B Project Overview and Announcement of Direct Service Line Assistance Programs

Dear Residents and Landowners,

The Town of Eureka is pleased to announce that we are in the final design stages on the wastewater phase 1B project which extends the Town's wastewater services to residents of the Midvale area. Last August, the Town received confirmation of funding for this \$1.833 Million project. We anticipate the construction to last from June through October of 2019. A map of the area is attached.

The Town would like to encourage landowners to connect to the sewer system during construction for ease of connection and to limit the construction impacts in the area. As an incentive, the Town has made the following options available for all landowners in the Phase 1B Project area (see attached map):

1. The Town's normal sewer hook-up fees are \$1,500 per connection. If a landowner will connect during the construction project, the Town will cut the hook-up fee to \$750 per connection.

The Town also has two programs to assist landowners with financing the physical connection to the system, including the installation of the landowner's sewer service line as well as the abandonment of current septic tanks.

2. The Town has received \$205,000 from the Montana Community Development Block Grant Program (CDBG) Public Facilities to provide direct grant assistance to qualifying low to moderate income (LMI) residents and landowners. This program will require the landowner to submit an application that we expect to release by April 3rd of 2019. Income eligibility will be based on the resident's (homeowner or renter) previous 3 years of tax returns. Because the program is grant funded, any successful landowner-applicant will have a 5-Year lien placed on their property that will require pro-rated payback if the property is sold or removed from LMI status during the 5-year period. This program is for residential property only.

The CDBG funding is available until exhausted and can be applied for any time between program opening (tentative April 3rd) through the closeout of the project estimated at November 15th, 2019. We encourage all applications to be submitted prior to June 21st, 2019.

If you are a landowner and you have renters living on your property, please fill out the application as the landowner and have your renters complete the income portion and mark it as

renters. Property owners who are renting out their property and take advantage of the grant program must continue to rent to income-eligible residents for the 5-year period and must adhere to HUD fair market rents for the 5-year period as well.

The CDBG funding is based on HUD's CDBG LMI guidelines and will be released in the following priority order:

- Low-Income Landowner who lives on the property
 - Moderate Income Landowner who lives on the property
 - Low-Income Renters
 - Moderate Income Renters
3. The Town is also excited to announce that through the Montana State Revolving Fund (SRF) Loan Program, the Town will be able to provide a no-interest 3-year loan program for any resident/landowner (including businesses) in the project area. This program's application will be released by April 3rd, 2019 as well and will be based on location within the project. An agreement for monthly payments will be placed on the property with a recorded lien on the property as collateral. Water shutoff will also occur if any defaults on the loan occur.

The SRF program will have a short window of availability and all applications must be received by July 1st, 2019. There will be an annual fee assessed to all outstanding loans to cover administration costs.

Both financial assistance programs will have more information available over the next month. The Town will host a **public open house on April 3rd from 2:00 pm to 6:30 pm** at the Town Hall (11 Dewey Avenue) to review the programs in more details, release the landowner assistance applications and have the Town's consultants available for questions. All work under these programs will need to be completed by the end of 2019 and are only available during the Wastewater Phase 1B project.

The Town is currently in the process of coordinating the procurement of a pool of contractors that will be pre-qualified to do the work for landowners. In order to qualify for either of the assistance programs as outlined above, landowners must work with one of the pre-qualified contractors.

The following is an outline of the Direct Assistance process and requirements as related to applying and receiving any funds through these direct assistance programs.

- Applications for Direct Assistance will become available on April 3rd at the Public Open House. The Town will also place the application on their website at <http://www.eureka-mt.gov/wastewater-phase-1b-project/> and hard copies will be made available at the Town Hall, 11 Dewey Avenue.
 - Applications are scheduled to be received April 13th-June 21st, 2019. All requests for loan funds must be received by June 21st, 2019 and grant funds can be accepted until exhaustion of the grant funds available.
 - The application will be part of the final agreement between the Town of Eureka and the landowner

- Applicants **must contact and work** with one of the pre-qualified contractors to complete a drawing of proposed work and layout of where the line will go, and a budget to abandon the septic tank and to install the service line. An application without a pre-qualified contractor listed and involved will be denied assistance.
 - If the landowner wishes to not pursue a grant or loan with the Town of Eureka, they are not required to work with the pre-qualified contractor though they do need to have the Town Engineer or Public Works staff on site during the actual connection to the Wastewater system.
- It is estimated that the Town will provide an average of \$4,500 in grant and/or loan funds per property. The landowner will own the service line and be solely responsible for all maintenance and upkeep on the line; which includes any lifts, grinder pumps or additional service line equipment through the cap to the main. The landowner is responsibility for all maintenance for the entire service line from the main, including the cap.
- The Town will notify each landowner/resident of the amount of grant and/or loan funds awarded and any gap in the costs is the responsibility of the landowner. All loans will be awarded prior to July 1st and it is encouraged that the Town also has all grant fund released by that time as well.
- The Town will not guarantee any of the contractor's work though it is required that all landowners enter into a contract with one of the pre-qualified contractors. A copy of the landowner/contractor agreement must be submitted to the Town, and approved in writing by the Town, prior to the finalization of the contract between the Town and Landowner.
 - The Contractors that are selected are required to take a specialized training and will receive a standard landowner/contractor contract that outlines all of their requirements for the funding programs including materials and wages. Please note that this standard contract will also be placed on the Town's website.
 - The Contractors will be required to have the Town Engineer or the Town's public work staff on site to observe the connection to the actual wastewater system and obtain approval of the connection to the system. The Town also is requiring that each contractor utilize a licensed plumber for the connection to the property's sewer line.
 - The Contractor is also required to pay Davis Bacon or Montana Prevailing Wages to any employee working on this project. Wage rates are required and determined on the date that the contract is signed between the Contractor and Landowner.
- Upon receipt of the grant and/or loan notification and acceptance by the landowner, a funding contract will be signed between landowner and Town. This contract will include:
 - A copy of the approved landowner's application with the drawing of the property
 - A copy of the notification of the approved amount of grant and/or loan
 - A copy of the approved contractor and landowner agreement that is dated and signed
 - Repayment requirements for the loan including monthly installments and annual fee schedule
 - Outline of a lien placed on property and penalties for late or defaulted payments for any loan funds received

- Outline of a lien placed on the property and the required pro-rated schedule for LMI properties that receive grant funds

- No grant or loan funds will be paid directly to the residents or the landowners. The Town will pay contractor directly for all approved work. Although the contract with the pre-qualified contractor is between the contractor and landowner and the Town will not regulate these private contracts.
 - The pre-qualified contractors have all agreed to a series of conditions in order to complete this work. Within their conditions was a statement of understanding that this a cost reimbursement program and as such the Contract (or any subcontractor/vendor) commitment for up to 30 days after submitting a request for payment for approved work. The Contractor is responsible for submitting their invoices on company letterhead within 15 days of completing work at any of the landowner's properties to the Town of Eureka. Once there is an approved invoice (the Engineer will confirm completion, and the project manager will confirm satisfaction with the landowner), the funds will be paid by the Town within 30 days with a 2% retainage held if final acceptance of work is still pending or if there are any liens from subcontractors and/or material suppliers.

We do understand that this is a lot of information to disseminate to the public at once. We urge residents to join us on **April 3rd for our public open house from 2:00 pm to 6:30 pm. All are welcome to come at their convenience and talk individually with our consultants and Council.**

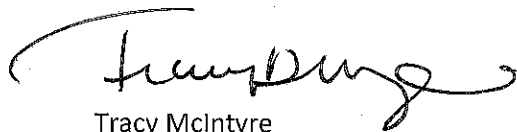
As mentioned earlier the Town will have a page within our website dedicated to the Wastewater Phase 1B Project and the Direct Assistance Program as we continue to move forward with this project. This site will be kept as updated as possible with current information relative to the project and will list the pre-qualified contractors and contact information for the assistance programs, landowner applications and more. We encourage the public to visit often and to also follow us on social media at <https://www.facebook.com/townofeurekaMT/>.

We thank you for your time and your review of the information. Applications and more information will be sent to all residents within the Midvale area after the Public Meeting on April 3rd, 2019.

Sincerely,



LeeAnn Schermerhorn
Mayor



Tracy McIntyre
Project Administrator



Town of Eureka
Wastewater Improvements Project, Phase 1B
Eureka, MT

03/26/2019



Site Map
1" = 700'

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FAX: 406-755-3218
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