CITY OF CHARLEVOIX

Agenda
City of Charlevoix City Council Regular Meeting
Monday, June 17, 2024 - 6:00 PM
Council Chambers, 210 State Street, Charlevoix, MI

1. **Pledge of Allegiance**
2. **Roll Call**
3. **Presentations**
4. **Inquiry Regarding Conflicts of Interest**
5. **Consent Agenda**
   - A. City Council Meeting Minutes - June 3, 2024
   - B. Accounts Payable and Payroll Check Registers
   - C. LIEAF Opt-out Resolution
   - D. Transformer purchase: $14,745.15
   - E. Airport Professional Engineering Services Contract
   - F. Water Tower Maintenance Engineering for the amount of $14,000
6. **Public Hearings and Actions Requiring Public Hearings**
   - A. Set Public Hearing: Pinebridge Place PILOT & Development Agreement
     Mark Heydlauff, City Manager
     Jane MacKenzie
   - B. Outdoor Storage Zoning Ordinance Discussion
     Mark Heydlauff, City Manager
     Jonathan Scheel, Zoning Administrator
7. **All Other Actions and Requests**
   - A. Distributed Energy Resource (DER) Documents
     John Griffith, Electric Department Director
   - B. Mayoral Appointments
     Lyle Gennett-Mayor
8. **Reports and Communications**
   - A. Public Comment
   - B. City Manager's Comments
   - C. Mayor and Council Comments

9. **Other Council Business**

10. **Adjourn**

Persons with disabilities who need an accommodation to fully participate in these meetings should contact the City Clerk's Office at 231-547-3250 or by email clerk@charlevoixmi.gov. A 24-hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodations requests.

Charlevoix City Council

Consent Agenda

Title: City Council Meeting Minutes - June 3, 2024
Date: June 17, 2024

Presented By:

Background:

Recommendation:
Motion to approve the minutes as presented.
Attachments:
1. City Council Draft Meeting Minutes 06/03/2024

City of Charlevoix
City Council Regular Meeting Minutes
Monday, June 3, 2024 - 6:00 PM
Council Chambers, 210 State Street, Charlevoix, MI

1. Pledge of Allegiance

The meeting was called to order at 6:00 p.m. by Mayor Gennett. The Council, staff, and members of the public rose and recited the Pledge of Allegiance.

2. Roll Call

Mayor: Lyle Gennett
Members Present: Shane Cole, Aaron Hagen, Janet Kalbfell, Mark Knapp, Phil Parr, Richard Spring
Members Absent: None
City Manager: Mark L. Heydlauff
City Clerk: Sarah J. Dvoracek

3. Presentations

A. Proclamation of Arbor Day and Poster Contest

Mayor Gennett proclaimed Arbor Day and presented the first prize award certificate to Carmela Lucido for winning the Trees Keep Charlevoix Green Poster Contest.

4. Inquiry Regarding Conflicts of Interest

Council Member Cole stated that he has recreation storage and Council concurred there is no conflict of interest.

5. Consent Agenda

Mayor Gennett opened the item for public comment. None were heard.
Motion by Parr, seconded by Cole to approve the consent agenda as presented.
Yeas: Hagen, Cole, Kalbfell, Parr, Spring, Knapp
Nays: None
Absent: None
Motion carried.

A. City Council Meeting Minutes - May 20, 2024
Motion to approve the minutes as presented.

B. Accounts Payable and Payroll Check Registers
Motion to approve the accounts payable and payroll check registers as presented.

Dates	Description	Amount
05/23/2024	Special Accounts Payable Run	$80,635.60
05/24/2024	Payroll (net pay)	$124,498.71
05/24/2024	Payroll Transmittal Checks	$5,548.86
06/04/2024	Regular Accounts Payable	$114,263.51

05/20/2024-05/28/2024	ACH/WIRE Payments	$403,961.54
Grand Total		**$728,908.22**
The entire accounts payable and payroll check registers can be found on our website.		

C. Hubbardston Irish Dance Troupe
Motion to approve the use of Odmark Pavilion for the Hubbardston Irish Dance Troupe on August 3, 2024.

D. Prohibited Parking on Palmer Street
Motion to prohibit parking on Palmer Street on both sides of the roadway.

E. Revised Private Road Sign Standards
Motion to approve the revised Private Road Sign Standards as presented.

F. Purchase Snow Making Guns for Mt. McSauba
Motion to approve the purchase of two portable snow-making guns from Nub's Nob for use at Mt. McSauba {in the amount of $30,000}.

6. Public Hearings and Actions Requiring Public Hearings

A. Proposed Sign Ordinance Amendment: Bridge Park Drive Signage
Mark Heydlauff, City Manager
City Manager Heydlauff presented information on the proposed sign ordinance amendment for Bridge Park Drive signage.

Mayor Gennett opened the item for public comment. None were heard.
Motion by Kalbfell, seconded by Hagen to approve Ordinance 849 of 2024 as presented.

CITY OF CHARLEVOIX
ORDINANCE NO. 849
AN ORDINANCE AMENDMENT TO AMEND TITLE XV LAND USAGE, CHAPTER 153: PLANNING AND ZONING: SECTIONS 153.215 CBD ZONING DISTRICT

THE CITY OF CHARLEVOIX ORDAINS:

Section 1: Title XV, Chapter 153, Section 153.215 CBD Zoning District Item C. shall be repealed and replaced and shall read as follows:

(C) Commercial properties on Bridge Park Drive located beneath Bridge Park.
1. Each business may attach a sign less than or equal to two square feet in the sign face area on the Bridge Park railing above the location of their business. A sign permit must be obtained, which must also be approved by the City Manager. The method of sign attachment must be included in the sign permit application. A sign permit approved under this division is valid only for the permit applicant and cannot be transferred to another entity.

2. One multi-tenant business center sign meeting Section 153.209 (3) (a) may be placed at the northwest corner of the parcel, directly in front of the mechanical units of the building. The sign will be no more than 7 feet wide and shall not extend beyond 7 feet above the ground.

The sign shall follow the sign permit requirements and shall, in the opinion and with the approval of the City Manager, complement the wayfinding signage of the City. The sign may include the specific logo identity of the establishments located within the building.

SECTION 2. Severability
No other portion, paragraph or phase of the Code of the City of Charlevoix, Michigan shall be affected by this Ordinance except as to the above sections, and in the event any portion, section or subsection of this Ordinance shall be held invalid for any reason, such invalidation shall not be construed to affect the validity of any other part or portion of this Ordinance or of the Code of the City of Charlevoix, Michigan.

SECTION 3. Effective Date
This Ordinance shall become effective thirty (30) days after its enactment pursuant to the City Charter.

Ordinance No. 849 was adopted on the 3rd day of June 2024 A.D., by the Charlevoix City Council as follows:

Yeas: Hagen, Cole, Kalbfell, Parr, Spring, Knapp

Nays: None

Absent: None

Motion carried.

B. Public Hearing: Proposed Amendments to Outdoor Storage
Mark Heydlauff, City Manager
Jonathan Scheel, Zoning Administrator
City Manager Heydlauff presented information on the proposed amendments to the outdoor storage ordinance.

Motion by Knapp to not approve and reject the draft ordinance 850, motion died lack of second.

Mayor Gennett opened the item for public comment, ten were heard.

Director of Planning and Zoning Scheel presented information on the proposed amendment of outdoor storage and answered questions from Council. Council discussed the proposed changes and other citizens' concerns. Council directed Director Scheel to modify the proposed ordinance language and bring the draft back at a later date.

7. All Other Actions and Requests

A. Designate Proceeds of Sale
Mark Heydlauff, City Manager
City Manager Heydlauff presented information on the proceeds of the sale from Peninsula Fiber Network.

Mayor Gennett opened the item for public comment. None were heard.
Motion by Parr, seconded by Cole to designate the proceeds of the sale {from Peninsula Fiber

Network} to the infrastructure fund for long-term preservation of our utilities and streets.

Yeas: Hagen, Cole, Kalbfell, Parr, Spring, Knapp

Nays: None

Absent: None

Motion carried.

8. Reports and Communications

A. Public Comment

- Kevin McLenon stated his concerns about sidewalks and tree trimming
- Annemarie Conway provided an update on the County Commission's projects
- Brandon Mason stated his concern about outdoor storage
- Leilani Durban voiced her concerns about sidewalks, affordable housing, subsidized housing, and provided an update on placing ornaments downtown

B. City Manager's Comments

- Congratulated Sandra Witherspoon, she is resigning from her Township Clerk position next week because she was recently elected as Tribal Chairwoman for the Grand Traverse Band of Ottawa and Chippewa Indians

C. Mayor and Council Comments

9. Other Council Business

10. Adjourn

Mayor Gennett adjourned the meeting at 7:10 p.m.

Sarah J. Dvoracek	City Clerk	Lyle Gennett	Mayor

Charlevoix City Council
Consent Agenda

Title: Accounts Payable and Payroll Check Registers
Date: June 17, 2024

Presented By:

Background:

Recommendation:
Motion to approve the accounts payable and payroll check registers as presented.
Attachments:
1. Check Registers 06-17-24 Agenda

Pay Period Date	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
06/01/2024	06/07/2024	142502	4FRONT CREDIT UNION	9024	HSA-EMPLOYEE CONTRIB-4FR	1,145.58
06/01/2024	06/07/2024	142503	4FRONT CREDIT UNION	9028	Lump Sum Employer Contribution	662.00
06/01/2024	06/07/2024	142504	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-POST T	55.40
06/01/2024	06/07/2024	142504	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-PRETA	427.44
06/01/2024	06/07/2024	142505	CHARLEVOIX STATE BAN	9017	HSA - EMPLOYEE CONTRIB - C	1,230.00
06/01/2024	06/07/2024	142506	COMMUNICATION WORK	9004	CWA UNION DUES Pay Period:	647.18
06/01/2024	06/07/2024	142507	FOPLC	9039	FOPLC UNION DUES Pay Perio	156.00
06/01/2024	06/07/2024	142508	MI STATE DISBURSEMEN	9012	FRIEND OF THE COURT Pay Pe	116.55
06/01/2024	06/07/2024	142509	PRIORITY HEALTH	392358	PRIORITY HEALTH Pay Period:	1,549.35
06/01/2024	06/07/2024	142510	THE HARTFORD	9035	LIFE - VOLUNTARY Pay Period:	276.73
06/01/2024	06/07/2024	142510	THE HARTFORD	9035	SPOUSE LIFE Pay Period: 6/1/2	51.29
06/01/2024	06/07/2024	142510	THE HARTFORD	9035	CHILD LIFE Pay Period: 6/1/202	11.00
06/01/2024	06/07/2024	142510	THE HARTFORD	9035	AD&D - VOLUNTARY Pay Period	28.60
06/01/2024	06/07/2024	142510	THE HARTFORD	9035	SPOUSE AD&D Pay Period: 6/1/	5.09
06/01/2024	06/07/2024	142510	THE HARTFORD	9035	CHILD AD&D Pay Period: 6/1/20	4.65
Grand Totals:		15				6,366.86

Summary of Check Registers & ACH Payments

HUNTINGTON NATIONAL BANK - CHECKS ISSUED

06/07/24	Payroll Transmittal Checks	$	6,366.86
06/07/24	Payroll (net pay)	$	135,568.71
06/18/24	Regular Accounts Payable	$	531,046.14
	Checks Sub-Total:	$	672,981.71

HUNTINGTON NATIONAL BANK - ACH/WIRE PAYMENTS

06/03/24	MI Public Power Agency	$	24,478.57
06/03/24	AMG Payment Solutions	$	347.55
06/04/24	Payment Service Network Inc	$	248.50
06/06/24	DTE Energy	$	6,098.58
06/07/24	IRS (Payroll Tax Deposit)	$	49,570.78
06/07/24	Alerus Financial (HCSP)	$	558.00
06/07/24	Vantagepoint (401 Plan)	$	1,204.14
06/07/24	Vantagepoint (457 Plan)	$	22,365.81
06/07/24	Vantagepoint (Roth IRA)	$	1,190.00
06/07/24	State of MI (Withholding Tax)	$	7,283.81
06/10/24	MI Public Power Agency	$	27,156.11
06/10/24	State of MI (Sales Tax)	$	27,279.20
	ACH Sub-Total:	$	167,781.05

Huntington National Bank Total: $ 840,762.76

CHARLEVOIX STATE BANK - CHECKS ISSUED

(PROPERTY TAX DISBURSEMENT TO VARIOUS TAXING AUTHORITIES)

06/18/24	Tax Disbursement	$	18,005.53
	Charlevoix State Bank Total:	$	18,005.53
	Grand Total:	$	858,768.29

APPROVED: CITY MANAGER | CITY TREASURER | CITY CLERK

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
06/01/2024	PC	06/07/2024	39562	HEYDLAUFF, MARK L.	102		4,122.60
06/01/2024	PC	06/07/2024	39563	DVORACEK, SARAH J.	105		2,498.73
06/01/2024	PC	06/07/2024	39564	DEROSIA, PATRICIA E.	107		893.27
06/01/2024	PC	06/07/2024	39565	DOTSON, LINDSEY J.	109		1,733.15
06/01/2024	PC	06/07/2024	39566	KLOOSTER, ALIDA K.	121		2,492.90
06/01/2024	PC	06/07/2024	39567	BARNEVELD, RICHELLE	123		1,324.60
06/01/2024	PC	06/07/2024	39568	SCHULZ, GINNY L.	125		1,626.70
06/01/2024	PC	06/07/2024	39569	JENKINS, JESSICA-RAE	127		1,468.59
06/01/2024	PC	06/07/2024	39570	MCGINN, KELLY A.	146		2,865.02
06/01/2024	PC	06/07/2024	39571	SCHEEL, JONATHAN D.	149		2,672.60
06/01/2024	PC	06/07/2024	39572	MCDONNELL, JILL L.	202		2,622.72
06/01/2024	PC	06/07/2024	39573	UMULIS, MATTHEW T.	205		2,264.42
06/01/2024	PC	06/07/2024	39574	ORBAN, BARBARA K.	209		1,686.97
06/01/2024	PC	06/07/2024	39575	RILEY, DENISE M.	213		576.23
06/01/2024	PC	06/07/2024	39576	MUNK, CHRISTOPHER J.	215		2,319.32
06/01/2024	PC	06/07/2024	39577	CHRISTIANSEN, BRIAN D	218		2,002.33
06/01/2024	PC	06/07/2024	39578	RAMIREZ, CHARLES V.	219		1,827.77
06/01/2024	PC	06/07/2024	39579	YOUNG, KRISTEN L.	230		2,005.80
06/01/2024	PC	06/07/2024	39580	CONWAY, PATRICK G.	239		12.96
06/01/2024	PC	06/07/2024	39581	MACGILLIVRAY, ROGER	244		955.03
06/01/2024	PC	06/07/2024	39582	DOTSON, WILLIAM R.	249		712.19
06/01/2024	PC	06/07/2024	39583	KALLMAN, ARIN J.	251		654.13
06/01/2024	PC	06/07/2024	39584	WURST, RANDALL W.	411		1,852.41
06/01/2024	PC	06/07/2024	39585	HILLING, NICHOLAS A.	413		1,742.38
06/01/2024	PC	06/07/2024	39586	MEIER III, CHARLES A.	421		1,712.03
06/01/2024	PC	06/07/2024	39587	ZACHARIAS, STEVEN B.	422		2,428.05
06/01/2024	PC	06/07/2024	39588	NEWMAN, MARK J.	424		1,843.33
06/01/2024	PC	06/07/2024	39589	LOUGHMILLER, JOHN A.	425		1,695.15
06/01/2024	PC	06/07/2024	39590	GRIFFITH, JOHN J.	500		2,669.96
06/01/2024	PC	06/07/2024	39591	EATON, BRAD A.	515		3,197.79
06/01/2024	PC	06/07/2024	39592	WILSON, TIMOTHY J.	516		3,476.60
06/01/2024	PC	06/07/2024	39593	LAVOIE, RICHARD L.	519		2,582.25
06/01/2024	PC	06/07/2024	39594	STERRETT, PHILLIP R.	520		2,943.13
06/01/2024	PC	06/07/2024	39595	STEVENS, BRANDON C.	521		2,675.22
06/01/2024	PC	06/07/2024	39596	WHITLEY, ANDREW T.	522		2,510.86
06/01/2024	PC	06/07/2024	39597	FARRELL, MITCHELL L.	524		2,029.87
06/01/2024	PC	06/07/2024	39598	ANDERSON, ELIZABETH	526		1,460.44
06/01/2024	PC	06/07/2024	39599	KENWABIKISE, DAVID L.	528		1,349.54
06/01/2024	PC	06/07/2024	39600	ELLIOTT, PATRICK M.	600		3,385.36
06/01/2024	PC	06/07/2024	39601	MORRISON, KEVIN P.	601		1,588.11
06/01/2024	PC	06/07/2024	39602	FURGESON, JUSTIN L.	613		2,746.46
06/01/2024	PC	06/07/2024	39603	BRADLEY, KELLY R.	614		2,069.25
06/01/2024	PC	06/07/2024	39604	HART II, DELBERT W.	616		1,818.32
06/01/2024	PC	06/07/2024	39605	JONES, ROBERT F.	618		1,547.61
06/01/2024	PC	06/07/2024	39606	THORP JR, WILLIAM D.	623		1,811.96
06/01/2024	PC	06/07/2024	39607	LEITNER, RYAN S.	624		1,694.13
06/01/2024	PC	06/07/2024	39608	NOWKA, STEPHEN P.	626		1,732.57
06/01/2024	PC	06/07/2024	39609	REID, ROB A.	632		1,530.44
06/01/2024	PC	06/07/2024	39610	DORAN, JUSTIN J.	634		2,506.57
06/01/2024	PC	06/07/2024	39611	CONWAY, ANNEMARIE	668		34.70
06/01/2024	PC	06/07/2024	39612	FINNERTY, HOLLY E.	669		1,062.57
06/01/2024	PC	06/07/2024	39613	WILSON, SAMUEL J.	672		474.31
06/01/2024	PC	06/07/2024	39614	POIROT, KENNETH R.	673		962.14
06/01/2024	PC	06/07/2024	39615	VENTZKE, COLE C.	674		1,035.17
06/01/2024	PC	06/07/2024	39616	JOHNSON, RANDY J.	680		1,124.49
06/01/2024	PC	06/07/2024	39617	PARRISH, JASON P.	681		845.76
06/01/2024	PC	06/07/2024	39618	CRANDELL, ZACKARY R.	691		880.65

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
06/01/2024	PC	06/07/2024	39619	RABIDEAU, JACOB L.	696		1,007.77
06/01/2024	PC	06/07/2024	39620	BORTHS, MICHAEL J.	698		980.37
06/01/2024	PC	06/07/2024	39621	KNORR, KENT J.	700		2,394.27
06/01/2024	PC	06/07/2024	39622	ANZELL, BETH A.	702		1,668.93
06/01/2024	PC	06/07/2024	39623	STEBE, LAURA A.	703		78.72
06/01/2024	PC	06/07/2024	39624	STEWART, SPENCER P.	720		253.72
06/01/2024	PC	06/07/2024	39625	MCDERMOTT, DENNIS J.	732		2,201.86
06/01/2024	PC	06/07/2024	39626	JASURDA, DONALD J.	748		887.35
06/01/2024	PC	06/07/2024	39627	WHITE III, MARCUS W.	754		924.83
06/01/2024	PC	06/07/2024	39628	LATHROP, GLADDIES J.	755		336.97
06/01/2024	PC	06/07/2024	39629	BEECHERL, GRACE M.	758		817.27
06/01/2024	PC	06/07/2024	39630	CUNNINGHAM, ABIGAIL A	759		919.34
06/01/2024	PC	06/07/2024	39631	WALKER, MEREDITH A.	771		368.68
06/01/2024	PC	06/07/2024	39632	BIRD, SPENCER H.	794		531.37
06/01/2024	PC	06/07/2024	39633	DRENTH, DOUGLAS A.	838		690.31
06/01/2024	PC	06/07/2024	39634	ELGART, SARAH N.	840		662.77
06/01/2024	PC	06/07/2024	39635	GILL, DAVID R.	856		1,191.33
06/01/2024	PC	06/07/2024	39636	LABLANCE, MAUREEN J.	863		460.37
06/01/2024	PC	06/07/2024	39637	LIVINGSTON, BRIAN D.	866		2,298.02
06/01/2024	PC	06/07/2024	39638	KLOOSTER, PATRICK H.	868		512.23
06/01/2024	PC	06/07/2024	39639	WAY, KRISTINA M.	870		143.14
06/01/2024	PC	06/07/2024	39640	PETROSKY, TIMOTHY D.	874		249.22
06/01/2024	PC	06/07/2024	39641	NISWANDER, WILLIAM M.	876		618.84
06/01/2024	PC	06/07/2024	39642	FRESA, EDWARD K.	877		311.68
06/01/2024	PC	06/07/2024	39643	SCHOLEY, ROBERT W.	902		2,041.57
06/01/2024	PC	06/07/2024	39644	OLIVER, GRANT T.	915		1,702.48
06/01/2024	PC	06/07/2024	39645	POSTMUS, ANTHONY H.	916		1,545.58
06/01/2024	PC	06/07/2024	39646	DOUGLAS, MARK	935		1,571.25
06/01/2024	PC	06/07/2024	39647	FRATRICK, JOSEPH W.	940		1,141.19
06/01/2024	PC	06/07/2024	39648	BENNETT, TAWNYA E.	953		895.21
06/01/2024	PC	06/07/2024	39649	TRAVERS, MANUEL J.	998		1,410.44
06/01/2024	PC	06/07/2024	142501	COX, RONALD L.	869		394.02
Grand Totals:			89				135,568.71

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Report Criteria:
- Computed checks included
- Manual checks included
- Supplemental checks included
- Termination checks included
- Void checks included

Check Number	Payee	Amount
06/18/2024		
142511	AB TOOLS LLC	82.00
142512	ABRAMOWSKI, DWAIN M.	550.00
142513	ACE HARDWARE	8,927.60
142514	ACLARA TECHNOLOGIES LLC	2,780.82
142515	ACUSHNET COMPANY	134.36
142516	ALPENA SUPPLY COMPANY	25.34
142517	AMAZON CAPITAL SERVICES	1,645.86
142518	APPRIVER LLC	6,305.16
142519	AT YOUR SERVICE PLUS INC	710.00
142520	AUTO WARES INC	116.00
142521	AVFUEL CORPORATION	78,311.85
142522	BALLARD'S PLUMBING AND HEATING	680.82
142523	BARTLETT'S HOME INTERIORS INC	8,900.00
142524	BATHGATE, CHRIS	1,200.00
142525	CARQUEST OF CHARLEVOIX	2,097.32
142526	CCP INDUSTRIES INC	327.77
142527	CDW GOVERNMENT	966.53
142528	CHARLEVOIX SCREEN MASTERS INC	3,478.00
142529	CHARLEVOIX TOWNSHIP TREASURE	75.12
142530	CHARTER COMMUNICATIONS OPERA	94.98
142531	CINTAS CORPORATION	275.89
142532	CITY OF CHARLEVOIX - MISC	3,656.45
142533	CITY OF CHARLEVOIX - UTILITIES	47,364.67
142534	CONWAY PROFESSIONAL SERVICES	5,969.00
142535	COOPER, SAMANTHA L	250.00
142536	CORPORATE SETTLEMENT SOLUTIO	1,328.00
142537	D&D ELECTRONICS	222.10
142538	DECKARD TECHNOLOGIES	5,400.00
142539	DEWOLF & ASSOCIATES	890.00
142540	DROST LANDSCAPE	10,108.80
142541	EDGEWATER ROOFING INC	14,676.80
142542	EJ USA INC.	272.96
142543	ELECTIONSOURCE	2,516.91
142544	FAMILY FARM AND HOME	697.84
142545	FARMER WHITE'S	283.00
142546	FREEDOM MAILING SERVICES INC	2,679.61
142547	GANNETT MICHIGAN LOCALIQ	401.16
142548	GFL ENVIRONMENTAL	34,963.04
142549	GORDON FOOD SERVICE	69.05
142550	HACH COMPANY	1,033.50
142551	HERITAGE-CRYSTAL CLEAN INC	25.00
142552	HERMAN & ASSOCIATES	509.95
142553	HUGHES, LAURIE	184.00
142554	HYDE SERVICES LLC	181.24
142555	INTEGRITY BUSINESS SOLUTIONS	23.68
142556	IPS GROUP INC	71.88
142557	JANSON EQUIPMENT COMPANY	788.33
142558	JOHN E GREEN COMPANY	2,080.66

M = Manual Check, V = Void Check

Check Number	Payee	Amount
142559	KRAFT BUSINESS SYSTEMS	687.00
142560	KRAZY KAKE A HOLICS	24.00
142561	LASER PRINTER TECHNOLOGIES	544.97
142562	MACQUEEN EQUIPMENT LLC	191,339.54
142563	MANAGEMENT AND BEHAVIOR CONS	880.00
142564	MCCARDEL CULLIGAN WATER COND	55.50
142565	MI DEPT OF TREASURY - UNCLAIMED	182.71
142566	MI MUNICIPAL TREASURERS ASSOC	138.00
142567	MICHIGAN MUSHROOM MARKET	129.00
142568	NANA'S WISH INC	600.00
142569	NAVIA BENEFIT SOLUTIONS	100.00
142570	NEUBERGER, TODD	75.00
142571	NORTH COAST FASTENERS LLC	14.91
142572	NORTHEAST MICHIGAN ASSESSORS	60.00
142573	NUCO2 LLC	198.98
142574	OLESON'S FOOD STORES	97.21
142575	OSMOSE UTILITIES SERVICES INC	1,962.13
142576	PENINSULA FIBER NETWORK LLC	470.00
142577	PET PAWPS, PAULSON PETS LLC	15.00
142578	PIXLEY-FINK, ELISABETH	250.00
142579	POWER LINE SUPPLY	1,836.50
142580	POWER SYSTEM ENGINEERING INC	3,407.50
142581	POWERPLAN	1,123.97
142582	PROPERTY MANAGEMENT ELITE LLC	900.00
142583	PVS TECHNOLOGIES INC	11,189.12
142584	RENEWIT DECK SUPPLY	894.86
142585	SARGENT, DAVID	40.47
142586	SELPH, EMILY	60.00
142587	SHARROW MASONRY INC	1,000.00
142588	SHOOK, KRISTINE	50.00
142589	SPARTAN DISTRIBUTORS INC	888.59
142590	SPRINGFIELD INC	1,848.00
142591	STATE OF MICHIGAN	70.00
142592	SYSTEMS SPECIALISTS INC	350.00
142593	TARGET SPECIALTY PRODUCTS	5,436.96
142594	TELNET WORLDWIDE	187.25
142595	THE RAPID GROUP LLC	260.00
142596	THRU GLASS CLEANING CO	2,416.25
142597	TOP LINE ELECTRIC LLC	1,850.00
142598	TRACE ANALYTICAL LABORATORIES I	235.00
142599	UNIFIRST CORPORATION	368.68
142600	UTILITY FINANCIAL SOLUTIONS	34,932.75
142601	VILLAGE GRAPHICS INC	72.00
142602	WEST ARBOR SOLUTIONS	189.59
142603	WILMOT ELECTRIC INC	1,995.00
142604	WINDEMULLER ELECTRIC INC.	2,385.50
142605	WIZARD PROVISIONS LLC	51.95
142606	ZAREMBA EQUIPMENT INC	4,849.20

Check Number	Payee	Amount
Total 06/18/2024:		531,046.14
Grand Totals:		531,046.14

Check Number	Payee	Amount
06/03/2024		
60324001	MICHIGAN PUBLIC POWER AGENCY	24,478.57
60324002	AMG PAYMENT SOLUTIONS	347.55
Total 06/03/2024:		24,826.12
Grand Totals:		24,826.12

M = Manual Check, V = Void Check

Check Number	Payee	Amount
06/04/2024		
60424001	PAYMENT SERVICE NETWORK INC.	248.50
Total 06/04/2024:		248.50
Grand Totals:		248.50

M = Manual Check, V = Void Check

Check Number	Payee	Amount
06/06/2024		
60624001	DTE ENERGY	6,098.58
Total 06/06/2024:		6,098.58
Grand Totals:		6,098.58

M = Manual Check, V = Void Check

Check Issue Date	Check Number	Payee	Amount
60724001			
06/07/2024	60724001	**EFTPS* Payroll Taxes	12,795.68
06/07/2024	60724001	**EFTPS* Payroll Taxes	12,795.68
06/07/2024	60724001	**EFTPS* Payroll Taxes	2,992.58
06/07/2024	60724001	**EFTPS* Payroll Taxes	2,992.58
06/07/2024	60724001	**EFTPS* Payroll Taxes	17,994.26
Total 60724001:	5		49,570.78
60724002			
06/07/2024	60724002	Alerus Financial	558.00
Total 60724002:	1		558.00
60724003			
06/07/2024	60724003	MissionSquare - 401 Plan 109153	1,204.14
Total 60724003:	1		1,204.14
60724004			
06/07/2024	60724004	MissionSquare - 457 Plan 300959	4,432.00
06/07/2024	60724004	MissionSquare - 457 Plan 300959	3,094.17
06/07/2024	60724004	MissionSquare - 457 Plan 300959	5,289.43
06/07/2024	60724004	MissionSquare - 457 Plan 300959	9,550.21
Total 60724004:	4		22,365.81
60724005			
06/07/2024	60724005	MissionSquare - Roth IRA 706117	1,190.00
Total 60724005:	1		1,190.00
60724006			
06/07/2024	60724006	STATE OF MICHIGAN	7,283.81
Total 60724006:	1		7,283.81
Grand Totals:	13		82,172.54

Check Number	Payee	Amount
06/10/2024		
61024001	MICHIGAN PUBLIC POWER AGENCY	27,156.11
61024002	STATE OF MICHIGAN	27,279.20
Total 06/10/2024:		54,435.31
Grand Totals:		54,435.31

M = Manual Check, V = Void Check

Check Number	Payee	Amount
06/18/2024		
4122	CHARLEVOIX COUNTY TREASURER	2,200.61
4123	CHARLEVOIX DISTRICT LIBRARY	523.43
4124	CHARLEVOIX PUBLIC SCHOOLS	769.15
4125	CHARLEVOIX-EMMET ISD	1,453.04
4126	CITY OF CHARLEVOIX - TAXES DUE	4,280.06
4127	LAKE CHARLEVOIX EMS AUTHORITY	501.28
4128	RECREATIONAL AUTHORITY	109.99
4129	STATE OF MICHIGAN	8,167.97
Total 06/18/2024:		18,005.53
Grand Totals:		18,005.53

CHECKS DRAWN ON CHARLEVOIX STATE BANK ACCOUNT

Charlevoix City Council

Consent Agenda

Title: LIEAF Opt-out Resolution
Date: June 17, 2024

Presented By:

Background:
Public Act 95 created the Low-Income Energy Assistance Fund (LIEAF). The fund is administered by the Michigan Public Service Commission in partnership with the Michigan Department of Health and Human Services. This fund provides money to low-income households for heating assistance through non-profit service agencies in the state through the Michigan Energy Assistance Program (MEAP). The Act requires all Michigan utilities to opt in or out of the LIEAF program by July 1 each year. To date, Charlevoix has chosen to opt out.

If Charlevoix chooses to opt In, it would collect a surcharge of approximately one dollar per month from every electric account and forward these funds to the State of Michigan. The DHHS, in consultation with the Public Service Commission, ensures that all money collected for the fund from a geographic area is returned, to the extent possible, to that geographic area. The estimated annual LIEAF funds for Charlevoix for 2024-2025 are $56,000.

If Charlevoix chose to opt out, it would not collect the surcharge and its customers would not be eligible for LIEAF assistance. In return, Charlevoix's residential electric customers could not be disconnected for non-payment between November 1 and April 15. This has been our standard practice and we recommend it continues.

Recommendation:
Motion to opt out of Public Act 95 of 2013 for the 2024 – 2025 heating season.

Attachments:

1. 2013-PA-0095_440175_7

Act No. 95
Public Acts of 2013
Approved by the Governor
July 1, 2013

Filed with the Secretary of State
July 1, 2013

EFFECTIVE DATE: July 1, 2013

STATE OF MICHIGAN
97TH LEGISLATURE
REGULAR SESSION OF 2013

Introduced by Senators Nofs, Bieda, Caswell, Hopgood, Proos, Young, Anderson, Brandenburg, Jones, Schuitmaker, Walker, Marleau and Pappageorge

ENROLLED SENATE BILL No. 284

AN ACT to amend 1939 PA 3, entitled "An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to provide for a restructuring of the manner in which energy is provided in this state; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts," (MCL 460.1 to 460.11) by adding section 9t.

The People of the State of Michigan enact:

Sec. 9t. (1) The low-income energy assistance fund is created within the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(3) Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(4) The department of licensing and regulatory affairs shall be the administrator of the fund for auditing purposes.

(5) Subject to the limitations imposed in this section, the department of human services shall expend money from the fund, upon appropriation, as provided in the Michigan energy assistance act, 2012 PA 615, MCL 400.1231 to 400.1236. The department of human services, in consultation with the public service commission, shall ensure that all money collected for the fund from a geographic area is returned, to the extent possible, to that geographic area.

(6) Subject to the limitations imposed in this subsection, the public service commission may, after an opportunity to comment, annually approve a low-income energy assistance funding factor no later than July 31 of each year for the subsequent fiscal year. The low-income energy assistance funding factor shall be the same across all customer classes and shall not exceed $1.00. The amount used by the public service commission to calculate a low-income energy assistance funding factor during each fiscal year shall not exceed $50,000,000.00 minus both the amount appropriated from the general fund in that fiscal year for home energy assistance and the amount remaining in the fund from the prior fiscal year. An electric utility, municipally owned electric utility, or cooperative electric utility that collects money under this subsection shall remit that money to the state treasurer for deposit in the fund on a monthly basis no later than 30 days

after the last day in each calendar month. The electric utility, municipally owned electric utility, or cooperative electric utility shall list the low-income energy assistance funding factor as a separate line item on each customer's bill.

(7) An electric utility, municipally owned electric utility, or cooperative electric utility may elect to not collect a low-income energy assistance funding factor under this section by annually filing a notice with the public service commission by July 1. Notwithstanding any other provision of this act, an electric utility, municipally owned electric utility, or cooperative electric utility that elects to not collect a low-income energy assistance funding factor under this section shall not shut off service to any residential customer from November 1 to April 15 for nonpayment of a delinquent account.

(8) An electric utility, municipally owned electric utility, or cooperative electric utility that does not opt out under subsection (7), or an association representing a municipally owned electric utility or cooperative electric utility that does not opt out under subsection (7), shall annually provide to the public service commission by July 1 the number of retail billing meters it serves in this state that are subject to the low-income energy assistance funding factor.

(9) Nothing in this act gives the public service commission the power to regulate a municipally owned electric utility.

(10) As used in this section:

(a) "Fund" means the low-income energy assistance fund created in subsection (1).

(b) "Low-income energy assistance funding factor" means a nonbypassable surcharge on each retail billing meter payable monthly by every customer receiving a retail distribution service from an electric utility, municipally owned electric utility, or cooperative electric utility that does not opt out under subsection (7), regardless of the identity of the customer's electric generation supplier. The low-income energy assistance funding factor shall not be charged on more than 1 residential meter per residential site.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Gary L Randall

Clerk of the House of Representatives

Approved ....

....

Governor

Charlevoix City Council
Consent Agenda

Title: Transformer purchase: $14,745.15
Date: June 17, 2024

Presented By:

Background:
In an ongoing review of the Electric Department's transformer inventory, it was determined that a 75 kVA, three phase, 480/277-volt pad mounted transformer should be ordered and placed into inventory. Bids were received on February 12, 2024, from Irby, OneSource Supply, PLS Midwest, and Sunbelt Solomon. Supply chain issues post-COVID have resulted in steep price increases and extended lead times. In a conversation with a staff member from the Holland Board of Public Works after the bid opening, he mentioned that the Holland Board of Public Works has transformers in inventory meeting Charlevoix's specifications. The price for one of their in-stock transformers is $14,745.15 and is available for immediate pick up by the Charlevoix Electric Department.

Recommendation:
Motion to approve the purchase of one SETI 75 kVA three phase pad mounted transformer from the Holland Board of Public Works in the amount of $14,745.15.

Attachments:
1. 75 kVA Three Phase PM 02.12.2024

City of Charlevoix
Electric Department

One 75 kVA Three Phase Pad Mount

Bidder	Manufacturer	Delivery (weeks)	Unit Cost	Freight	Total Cost	Comments
HBPW (1)	SETI	In Stock	$ 14,745.15	$ -	$ 14,745.15	New
Irby	SETI	30	$ 28,664.00	$ -	$ 28,664.00	New
Irby	Howard	52-72	$ 21,588.00	$ -	$ 21,588.00	New
OneSource Supply	SETI	N/A	$ 27,418.00	$ -	$ 27,418.00	New
PLS - Midwest	N/A	40	$ 18,195.00	$ -	$ 18,195.00	Reconditioned
Sunbelt Solomon	N/A	52-54	$ 21,840.00	$ -	$ 21,840.00	Reconditioned

(1) Recommended

Charlevoix City Council
Consent Agenda

Title: Airport Professional Engineering Services Contract
Date: June 17, 2024

Presented By:

Background:
Since RS&H was selected as our airport consultant, they have presented us with their general engineering service contact. This document lays out the rights and responsibilities of both parties and sets guidelines for how business will be conducted for engineering services. This document is necessary, so we may move forward with projects we have scheduled over the next five years.

Recommendation:
Motion to approve the contract and authorize the City Manager to sign the general engineering service contract with RS&H.

Attachments:
1. RS&H General Enginering Agreement CVX GC 2024-2029 6-4-24(RS&H Signed)

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT FOR PROFESSIONAL SERVICES (this "Agreement") is made as of the _____ day of __________, 20__ (the "Effective Date"), by and between **CITY OF CHARLEVOIX**, with offices located at 210 State St., Charlevoix, MI 49720 (the "CLIENT"), and **RS&H MICHIGAN, INC.**, a Michigan corporation with offices located at G-3101 W. Bristol Rd, Suite 300, Flint, MI 48507 ("RS&H") (CLIENT and RS&H are collectively referred to as the "Parties" and individually as the "Party").

IN CONSIDERATION of the mutual promises and covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. RELATIONSHIP

1.1. For all work performed hereunder RS&H is an independent contractor to CLIENT, solely responsible for the means and methods used in performing services hereunder, and it shall not be deemed an employee, agent, fiduciary, partner or joint venturer of CLIENT for any purpose.

2. PROVISION OF SERVICES/METHOD OF AUTHORIZATION

2.1. RS&H shall provide those professional services (check appropriate description below):

_______ As described in **Attachment A**, attached hereto and made a part hereof by reference (the "Services"); or

___X___ As described in separately authorized Work Orders (the "Services").

2.2. Any Work Order, when signed by the Parties, shall be incorporated into and form a part of this Agreement. Each such Work Order shall contain a Project Description, a detailed Scope of Services, Project Schedule, Deliverables, and Compensation specific to the Services or project being authorized (the "Project"). In the event of a conflict between this Agreement and any Work Order issued hereunder, the terms of this Agreement shall govern the provision of the particular Services or Project involved.

2.3. Should CLIENT issue a purchase order or other instrument related to RS&H's Services, it is understood and agreed that such document is for CLIENT's internal accounting purposes only and shall in no way modify, add to, or delete any of the terms and conditions of this Agreement. Any conflicting or additional terms on any purchase order issued by the CLIENT shall be void and are hereby expressly rejected by RS&H.

3. ADDITIONAL SERVICES

3.1. RS&H shall furnish work beyond the scope of the Services (hereinafter "Additional Services") if requested by CLIENT and agreed to by RS&H. RS&H shall be under no obligation to provide Additional Services, unless the scope and compensation for such Additional Services are mutually agreed upon in writing by Supplemental Agreement, Amendment, or Work Order.

4. STANDARD OF CARE

4.1. RS&H shall perform its Services consistent with the degree of care and skill ordinarily exercised by members of the same profession performing the same or similar services in the same locality at the time the Services are provided ("Standard of Care"). Notwithstanding anything to the contrary, RS&H's Services are not required to meet any standard beyond the Standard of Care. No warranty, express or implied, is made or intended by the RS&H's undertaking herein or its performance of services, and it is agreed that RS&H is not a fiduciary with respect to the Client.

5. SCHEDULE

5.1. Unless otherwise stated herein, RS&H will begin performing Services timely after receipt of a properly executed copy of this Agreement and any required retainer amount. This Agreement is made in anticipation of conditions permitting continuous and orderly progress through completion of the Services. Times for performance shall be extended as necessary for delays or suspensions due to circumstances that are outside of RS&H's control. If such delay or suspension extends for more than six months (cumulatively), RS&H's compensation shall be renegotiated.

5.2. The schedule for each Project will be as described in **Attachment A** or the applicable Work Order.

6. COMPENSATION AND METHOD OF PAYMENT

6.1 CLIENT shall compensate RS&H for the Services, any approved Additional Services, and Reimbursable Expenses (as defined below) on the basis set forth in **Attachment A**, attached hereto and made a part hereof by reference, or as set forth in the applicable Work Order, as the case may be ("Fee").

6.2 In addition to the Fee, the CLIENT shall pay any sales or similar tax levied by any governmental authority on professional or other services or materials provided under this Agreement.

6.3 RS&H shall invoice CLIENT periodically for all Services rendered and Reimbursable Expenses incurred pursuant to this Agreement, and each invoice shall be due and payable upon receipt by CLIENT. CLIENT shall notify RS&H in writing of any disputed amount contained on an invoice within fifteen (15) calendar days from the date of invoice; otherwise, all charges shall be deemed acceptable and correct.

6.4 Compensation due RS&H under this Agreement is due and payable to its corporate offices or at such other location as may be specified by RS&H in writing.

6.5 If CLIENT fails to make any payment due RS&H for Services and Reimbursable Expenses within thirty (30) days after the date of an invoice therefore, the amounts due RS&H shall accrue interest at the maximum rate allowed by law from the thirtieth (30th) day. In addition, RS&H may, after giving notice to CLIENT, suspend Services and withhold deliverables under this Agreement until RS&H has been paid in full all amounts due for Services and Reimbursable Expenses (including all accrued but unpaid interest) without RS&H incurring liability due to such suspension or withholding. In the event of CLIENT's failure to pay invoices timely, RS&H may also commence proceedings, including filing liens, to secure its right to payment under this Agreement without RS&H incurring liability.

6.6 Reimbursable Expenses are defined as actual expenditures made by RS&H, its employees, or its consultants in the interest of the Services or Project, including but not limited to:

> Transportation and subsistence of Project personnel, consultants' fees, computer and computer aided drafting and design (CADD) charges, fees paid for securing approval of authorities having jurisdiction of the Project, toll telephone calls and facsimile charges, reproduction and printing charges of all types for Project-specific documents, mailing and shipping charges, equipment and laboratory use fees, photography, model materials, and all other materials and expendable supplies directly used with respect to the Project.

Reimbursable Expenses shall include a ten percent (10%) service charge which shall be added as an administrative charge to RS&H's actual costs for such expenses.

6.7. If the CLIENT relies on payment or proceeds from a third party to pay RS&H and CLIENT does not pay RS&H's invoice within 60 days of receipt, RS&H may communicate directly with such third party to secure payment.

6.8 The CLIENT agrees that the payment to RS&H is not subject to any contingency or condition. RS&H may negotiate payment of any check tendered by the CLIENT, even if the words "in full satisfaction" or words intended to have similar effect appear on the check without such negotiation being an accord and satisfaction of any disputed debt and without prejudicing any right of RS&H to collect additional amounts from the CLIENT.

7. CONSTRUCTION COSTS & CONSTRUCTION SERVICES

7.1. Since RS&H has no control over the cost of labor, materials, or equipment or over a contractor's methods of determining prices, or over competitive bidding or market conditions, when requested by CLIENT to estimate project construction costs, RS&H's opinions of probable costs provided as a service hereunder are to be made on the basis of its experience and qualifications and represent its judgment as a design professional familiar with the construction industry; however, RS&H cannot and does not guarantee that proposals, bids, or the construction costs will not vary from opinions of probable costs prepared by it. If CLIENT wishes greater assurance as to the construction costs, it shall employ an independent cost estimator at its own expense. Services to modify approved documents to bring the construction cost within any limitations established by CLIENT will be considered Additional Services and entitle RS&H to additional compensation which shall be negotiated and mutually agreed upon by the Parties and set forth in either a Work Order or Supplemental Agreement.

7.2. If the Services are to include services during construction, including any construction inspection, testing or observation provided by RS&H, such services and site visits are for the purpose of endeavoring to provide the Client a greater degree of confidence that the completed work of its contractors will generally conform to the Construction Documents prepared by RS&H and RS&H's subconsultants only. RS&H neither guarantees the performance of nor insures any contractor's work nor assumes responsibility for (i) the means, methods or materials used by any contractor; (ii) Project site safety; or (iii) any contractor's compliance or failure to comply with Construction Documents, specifications, laws or regulations. CLIENT agrees that, in accordance with generally accepted construction practices, the construction contractor will be required to assume sole and complete responsibility for Project site conditions during the course of construction of the Project, including safety of all persons and property, and that this responsibility shall be continuous and not be limited to normal working hours. If construction services are included in RS&H's Services, RS&H shall have no authority or responsibility to stop or direct the work of any contractor.

7.3. If RS&H's services include the preparation of documents to be used for construction and RS&H is not retained to make periodic site visits, the CLIENT assumes all responsibility for interpretation of the documents and for construction observation, and the CLIENT waives any claims against RS&H in any way connected thereto.

7.4. RS&H is not responsible for any duties assigned to the design professional in the construction contract that are not expressly provided for in this Agreement. The CLIENT agrees that each contract with any contractor shall state that the contractor shall be solely responsible for job site safety and for its means and methods; that the contractor shall indemnify the CLIENT and RS&H for all claims and liability arising out of job site accidents; and that the CLIENT and RS&H shall be made additional insureds under the contractor's general liability insurance policy.

8. CLIENT'S RESPONSIBILITIES

8.l. In addition to other responsibilities described herein or imposed by law, the CLIENT shall:

8.1.1. Provide all information and criteria as to the CLIENT 's requirements, objectives, and expectations for the project including all numerical criteria that are to be met and all standards of development, design, or construction.

8.1.2. Provide to RS&H all previous studies, plans, or other documents and information pertaining to the Project and all data reasonably necessary, in RS&H's opinion, to complete the Services, including but not limited to site surveys, engineering data, and environmental impact assessments or statements ("Client Information"). RS&H may rely on Client Information.

8.1.3. Arrange for access to the site and other private or public property as required for RS&H to provide its Services.

8.1.4. Review all documents or oral reports presented by RS&H and render in writing decisions pertaining thereto within a reasonable time so as not to delay RS&H's Services.

8.1.5. Furnish approvals and permits from governmental authorities having jurisdiction over the Project and approvals and consents from other parties as may be necessary for completion of RS&H's Services.

8.1.6. Cause to be provided such independent accounting, legal, insurance, cost estimating and overall feasibility services as the CLIENT may require.

8.1.7. Give prompt written notice to RS&H whenever the CLIENT becomes aware of any development that affects the scope, timing, or payment of RS&H's Services or any defect or noncompliance in any aspect of the Project.

8.1.8. Bear all costs incidental to the responsibilities of the CLIENT.

9. AUTHORIZED REPRESENTATIVE

9.1. RS&H's Authorized Representative for this Project is the Project Manager as designated on **Attachment A** or applicable Work Order. All matters and correspondence pertaining to the Project, including submittal of monthly invoices, will be through RS&H's Project Manager.

9.2. Upon execution of this Agreement, CLIENT will designate CLIENT's Authorized Representative for the Project and convey the name of CLIENT's Authorized Representative to RS&H in writing. CLIENT's Authorized Representative shall act on behalf of CLIENT on all matters pertaining to this Project. All matters and correspondence to CLIENT pertaining to the Project will be addressed through CLIENT's Authorized Representative. CLIENT's Authorized Representative shall have complete authority to transmit instructions, receive information, and make or interpret decisions on behalf of the CLIENT.

10. TERM, TERMINATION & SUSPENSION

10.1. The term of this Agreement shall be from the Effective Date through December 31, 2029 unless sooner terminated as provided in this Section 8 hereof, or extended through written agreement signed by the Parties.

10.2. This Agreement may be terminated without cause by either party upon fourteen (14) days' written notice.

10.3. If any change in CLIENT's ownership occurs, or if this Agreement is assigned by CLIENT, RS&H shall have the right to immediately terminate this Agreement.

10.4. In the event of termination of this Agreement for any reason, RS&H shall be compensated, as provided herein, for Services performed through the effective date of such written notice of termination, together with Reimbursable Expenses due and for all expenses directly attributable to termination.

10.5. If the Project is suspended for more than thirty (30) consecutive days, RS&H shall be compensated, as provided herein, for Services performed through receipt of written notice of such suspension, together with Reimbursable Expenses then due. When the Project is resumed, RS&H's compensation shall be equitably adjusted to provide for expenses incurred in the interruption and resumption of RS&H's Services.

11. USE OF DOCUMENTS AND ELECTRONIC DELIVERABLES

11.1 Representations, in any medium of expression now known or later developed, of tangible and intangible creative work performed by RS&H and its subconsultants under this Agreement or respective professional service agreements for the purpose of providing such to the CLIENT are "Instruments of Service."

11.2. RS&H and the CLIENT warrant that in transmitting Instruments of Service, Client Information, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project.

11.3. RS&H and its subconsultants shall be deemed the authors and owners of their respective Instruments of Service, including drawings and specifications, and shall retain all common law, statutory and other reserved rights, including copyrights. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connectin with the Project is not to be construed ad publication in derogation of the reserved rights of RS&H and its subconsultants.

11.4. RS&H grants to the CLIENT a nonexclusive license to use RS&H's Instruments of Service solely and exclusively for purposes of constructing, using, maintaining, altering and adding to the Project, provided that the CLIENT substantially performs its obligatins under this Agreement, including prompt payment of all sums due. RS&H shall obtain similar nonexclusive licenses from RS&H's subconsultants consistent with this Agreement. The license grainted under this sectin permits the CLIENT to authorize the contractor, contractor's subcontractors and suppliers, as well as the CLIENT's consultants and separate contractors, to reproduce applicable portions of the Instruments of Service soley and exclusively for use in performing services or construction for the Project.

11.5. In the event the CLIENTuses the Instruments of Service without retaining the authors of the Instrumetns of Service, the CLIENT releases RS&H and RS&H's subconsultants from all claims and causes of action arising from such uses. CLIENT, to the extent permitted by law, further agrees to indemnify and hold harmless RS&H and its subconsultants from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the CLIENT's use of the Instruments of Service under this Section 11.5.

11.6. Except for the licenses granted in this Section 11, no other license or right shall be deemed granted or implied under this Agreement. The CLIENT shall not assign, delegate, sublicense, pledge or otherwise transfer any license granted herein to another party without the prior written agreement of RS&H.

11.7. Except as otherwise stated in this Section 11, the provisions of this Section 11 shall survive the termination of this Agreement.

11.8. The Instruments of Service are not intended or represented to be suitable for use, partial use or reuse by the CLIENT or others on extensions of this Project or on any other project. Any modifications made by the CLIENT to any of RS&H's Instruments of Service, or any use, partial use or reuse of the Instruments of Service without written authorization or adaptation by RS&H will be at the CLIENT's sole risk and without liability to RS&H, and the CLIENT shall indemnify, defend and hold RS&H harmless from all claims, damages, losses and expenses, including but not limited to attorneys' fees, resulting therefrom.

11.9. Drawings and plans prepared by RS&H and it's subconsultants that may be relied upon by CLIENT and its consultants and contractors are limited to those printed drawings that are signed and sealed by RS&H or RS&H's subconsultants and are identified as "Construction Documents." Electronic files of text, data, graphics, or other information stored on EODM (hereinafter "Electronic Deliverables") are not Construction Documents and are furnished by RS&H hereunder solely for the convenience of CLIENT, in understanding the design for the Project. Any information or data obtained or derived from such Electronic Deliverables shall be used at CLIENT's sole risk. Because data stored in electronic media format can deteriorate or be modified without RS&H's authorization, the Client has 60 days to perform acceptance tests, after which it shall be deemed to have accepted the data.

12. INDEMNIFICATION

12.1. CLIENT shall indemnify and hold harmless RS&H, and its parent company, affiliated and subsidiary entities, directors, officers, consultants, agents, and employees from and against all third-party suits, actions, claims, demands, judgments, losses, expenses (including attorney's fees), damages, and liabilities including property damage and bodily injury or death, to the extent caused by the recklessness, intentionally wrongful conduct or negligent act, error, or omission of the CLIENT, its parent company, affiliated and subsidiary entities, directors, officers, consultants, agents, employees, or other persons and organizations employed or utilized by the CLIENT in relation to this Agreement.

12.2. RS&H shall indemnify and hold harmless CLIENT, and its parent company, affiliated and subsidiary entities, directors, officers, consultants, agents, and employees from and against all third-party suits, actions, claims, demands, judgments, losses, expenses (including attorney's fees), damages, and liabilities including property damage and bodily injury or death, to the extent caused by the recklessness, intentionally wrongful conduct or negligent act, error, or omission of RS&H, its parent company, affiliated and subsidiary entities, directors, officers, consultants, agents, employees, or other persons and organizations employed or utilized by RS&H in relation to this Agreement.

13. INSURANCE

13.1 RS&H shall maintain, to the extent reasonably available, the following insurance coverage during the performance of its Services under this Agreement:

13.1.1	**Commercial General Liability**	
	General Aggregate	$2M
	Products-Comp/OP Aggregate)	$2M
	Personal and Advertising Injury	$1M
	Each Occurrence	$1M
	Medical Expenses per person	$10,000
13.1.2	**Automobile Liability** (any auto, hired autos and non-owned autos) Bodily Injury and Property Damage	$1M CSL
13.1.3	**Workers' Compensation**	Statutory
	Employer's Liability	$1M
13.1.4	**Professional Liability Insurance**	
	Per Claim	$5M
	Aggregate	$10M

13.2 RS&H shall provide the CLIENT with a Certificate of Insurance indicating that the above-described coverages are in effect, if requested. RS&H shall name CLIENT as additional insured on the Commercial General and Auto Liability policies.

14. CONTROLLING LAW

14.1 This Agreement, the rights and obligations of the Parties hereto, and any claims or disputes relating thereto shall be governed by, interpreted, construed and enforced in accordance with the laws of the state in which the Project is located, excluding that jurisdiction's choice of law rules.

14.2. The Federal arbitration Act shall govern arbitration required under this Agreement.

14.3. If this Agreement relates to professional services for a project funded under the Airport Improvement Program (AIP) of the Federal Aviation Administration or a project otherwise federally-funded, then where applicable RS&H shall comply with the Federal Contract Provisions set out in **Attachment B** attached hereto.

15. DISPUTE RESOLUTION

15.1. The CLIENT and RS&H shall commence all claims, disputes, and causes of action against the other and arising out of or related to this Agreement, whether in contract, tort, or otherwise ("Claims"), in accordance with the requirements of the binding dispute resolution method selected in this Agreement and within the period specified by applicable law, but in any case not more than 10 years after the date of substantial completion of the work. The Parties waive all claims and causes of action not commenced in accordance with this Section 15.1.

15.2. To the extent damages are covered by property insurance, the Parties waive all rights against each other and against the contractors, consultants, agents, and employees of the other for damages.

15.3. All Claims shall be subject to the following mandatory procedures: (A) the aggrieved Party shall notify the other party of any Claims within a reasonable time (unless specified otherwise in this Agreement) after such Claims arise and if the Parties shall put forth a good faith effort to resolve such Claims; (B) in the event the Parties are unable to timely resolve any remaining Claims, either party may provide a written notice requesting participation of the other Party in a non-binding mediation, which shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the Effective Date; and (C) should the parties not agree to mediation, or fail to resolve any remaining Claims at mediation, then all remaining Claims shall be resolved through binding arbitration, which shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the Effective Date. A demand for arbitration shall be made in writing, delivered to the other Party to this Agreement, and filed with the person or entity administering the arbitration. The Parties shall agree to a single arbitrator. The award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

15.4. Mediation and arbitration proceedings shall be held in the jurisdiction where the Project is located, unless the Parties agree otherwise in writing.

15.5. As it relates to Claims described under this Section, the Parties hereby knowingly, voluntarily, and intentionally waive the right any of them have to a trial by jury with respect to any litigation based hereon, or arising out of, under, or in connection with this Agreement and any agreement contemplated to be executed in conjunction herewith, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of either Party.

16. SUCCESSORS AND ASSIGNS

16.1. This Agreement shall be binding upon CLIENT and RS&H and their respective partners, successors, heirs, assigns and legal representatives.

16.2. Neither Party shall assign this Agreement or transfer any rights under or interest in this Agreement without the prior written consent of the other Party. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

17. NONDISCRIMINATION

17.1. RS&H agrees to comply with all local, state, and Federal laws and ordinances regarding discrimination in employment against any individual on the basis of race, color, religion, sex, national origin, physical or mental impairment, or age.

18. FORCE MAJEURE

18.1. No Party shall be liable or responsible to the other Party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, except for any obligations to make payments to the other Party hereunder, when and to the extent such Party's ("Impacted Party") failure or delay is caused by or results from the following force majeure events ("Force Majeure Events"): changes ordered in the Services by CLIENT, Acts of God, labor disputes, fire, unusual delay in deliveries, pandemic, epidemic, public health emergency, abnormal adverse weather conditions not reasonably anticipatable, unavoidable casualties, any events or circumstances beyond Impacted Party's reasonable control, or by other causes which the CLIENT determines may justify the delay. If a Force Majeure Event causes delay or failure to fulfill any term of this Agreement then an equitable extension shall be granted to the Impacted Party through written mutual agreement.

19. MISCELLANEOUS

19.1. **Hazardous Substances and Emerging Contaminants.** In no event shall RS&H be a custodian, transporter, handler, arranger, contractor, or remediator with respect to hazardous substances and emerging contaminants. RS&H's Services will be limited to professional consulting, sampling, analysis, recommendations, and reporting, including, when agreed to, plans and specifications for isolation, removal, or remediation. RS&H shall notify the CLIENT of hazardous substances and/or conditions created by hazardous substances not contemplated in the scope of Services of which RS&H actually becomes aware. Upon such notice by RS&H, RS&H may stop affected portions of its Services until the hazardous substance or condition is eliminated.

19.2. **Certifications.** RS&H shall not be required to execute certifications or third-party reliance letters that are inaccurate, that relate to facts of which RS&H does not have actual knowledge, or that would cause RS&H to violate applicable rules of professional responsibility.

19.3. **Mutual Waiver of Consequential Damages.** In no event shall either party be liable to the other for any consequential, incidental, punitive, or indirect damages including but not limited to loss of income or loss of profits.

19.4. **Limitation of Liability.** To the fullest extent permitted by law, the total liability, in the aggregate, of RS&H, RS&H's officers, directors, partners, employees, agents, and subconsultants, to CLIENT, and anyone claiming by, through, or under CLIENT for any claims, losses, costs, or damages whatsoever arising out of, resulting from or in any way related to this Project or Agreement from any cause or causes, including but not limited to negligence, professional errors and omissions, strict liability, breach of contract, or breach of warranty, shall not exceed the total compensation received by RS&H under this Agreement or $50,000 whichever is greater.

19.5. **Third Party Beneficiaries.** Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, a third party against either the CLIENT or RS&H. This Agreement gives no rights or benefits to anyone other than the CLIENT and RS&H, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole benefit of the CLIENT and RS&H.

19.6. **Project Promotional Materials.** RS&H shall have the right to include general references to and representations of the Project, including photographs among RS&H's promotional and professional materials. RS&H shall not make any press release or public presentation containing information that is confidential and relating to the Project without the prior written approval of CLIENT.

19.7. **Changes in law.** Notwithstanding anything to the contrary, effects on the Services, if any, resulting from any changes in legal or professional requirements enacted after the Effective Date of this Agreement shall be considered Additional Services and CLIENT shall adjust RS&H's Fee and/or the schedule for the Services. Such effects may include, without limitation, revisions RS&H is required to make to the construction documents. RS&H is under no obligation to begin performance of Additional Services until the Parties have agreed to such Additional Services and the adjustment of Fee and schedule in writing.

19.8. **PFAS.** While Per- and Polyfluoroalkyl Substances ("PFAS") have been identified as an emerging contaminant by the USEPA, RS&H will only perform services related to PFAS chemicals, or substances possibly containing PFAS chemicals, including but not limited to sampling, investigation, handling and remediating, to the extent the CLIENT specifically directs, in writing, RS&H to perform such services. RS&H shall not be liable for the nonperformance of PFAS-related services to the extent the CLIENT did not specifically direct RS&H to perform such services in writing. The CLIENT assumes all risk associated with the presence of PFAS on or at its property, the exacerbation of a contamination of PFAS resulting from the Services, and the identification of contamination following soil sample testing. RS&H shall not be liable for the presence, discharge, release, or escape of hazardous materials, emerging contaminants or PFAS.

19.9. **NON-SOLICITATION.** The Client understands and acknowledges that RS&H has expended and continues to expend significant time and expense in recruiting and training its employees and that the loss of employees would cause significant and irreparable harm to RS&H. The Client agrees and covenants not to directly or indirectly solicit or recruit for its own benefit or the benefit of any other person/entity, or so attempt to solicit or recruit, any employee of RS&H ("Covered Employee"), or induce any Covered Employee to terminate their employment for the Term of this Agreement and two (2) years thereafter ("Restricted Period").

20. NOTICES

Any and all notices required or authorized to be given pursuant to this Agreement shall be given in writing and either hand-delivered, sent by overnight courier service or sent by certified or registered mail, postage prepaid, and return receipt requested, as follows:

If to CLIENT:

City of Charlevoix
210 State St.
Charlevoix, MI 49720
Attn: _______________

If to RS&H:

RS&H, INC.
G-3101 W. Bristol Rd, Suite 300
Flint, MI 48507
Attention: David Joye

with a copy to:

RS&H, INC.
10748 Deerwood Park Boulevard South
Jacksonville, Florida 32256
Attention: Legal Department

21. ENTIRE AGREEMENT

This Agreement, together with any separately authorized Work Order issued hereunder, constitutes the entire and integrated Agreement between CLIENT and RS&H and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may only be amended, supplemented, modified or canceled by written instrument signed by an authorized representative of each party.

22. SEVERABILITY

If any provision of this Agreement or any application thereof to any person or circumstance shall, to any extent, be invalid, the remainder of this Agreement or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby and each provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

23. COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which may be executed by one or more of the Parties hereto, but all of which, when delivered and taken together, shall constitute but one Agreement binding upon all of the Parties hereto.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives, under seal, as of the day and year first above written.

CLIENT	**RS&H**
CITY OF CHARLEVOIX	RS&H MICHIGAN, INC.
By:________________________	DocuSigned by: By: Patrick T. Frame 386399C2475D4F4...
Print Name:________________________	Print Name: Patrick T. Frame
Title:________________________	Title: President
ATTEST:	
By:________________________	
Print Name:________________________	
Title:____________________Secretary	

RS&H ATTACHMENT A

RS&H's Scope of Services and Fee

RS&H ATTACHMENT B

Federal Contract Provisions for Professional A/E Services

FEDERAL CONTRACT PROVISIONS FOR PROFESSIONAL A/E SERVICES PROCUREMENT AND CONTRACTING UNDER AIRPORT IMPROVEMENT PROGRAM (AIP)

(Based on Federal Contract Provisions Issued by FAA on November 17, 2022)

1. ACCESS TO RECORDS AND REPORTS

This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded).

Reference: 2 CFR § 200.334, 2 CRF § 200.337, FAA Order 5100.38

The Contractor must maintain an acceptable cost accounting system. The Contractor agrees to provide the Owner, the Federal Aviation Administration and the Comptroller General of the United States or any of their duly authorized representatives access to any books, documents, papers and records of the Contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Contractor agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

2. BREACH OF CONTRACT TERMS

This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded), and the contract exceeds the simplified acquisition threshold as stated in 2 CFR Part 200, Appendix II (A). This threshold is occasionally adjusted for inflation and is $250,000.

Reference: 2 CFR § 200 Appendix II (A)

Any violation or breach of terms of this contract on the part of the Contractor or its subcontractors may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement.
Owner will provide Contractor written notice that describes the nature of the breach and corrective actions the Contractor must undertake in order to avoid termination of the contract. Owner reserves the right to withhold payments to Contractor until such time the Contractor corrects the breach or the Owner elects to terminate the contract. The Owner's notice will identify a specific date by which the Contractor must correct the breach. Owner may proceed with termination of the contract if the Contractor fails to correct the breach by the deadline indicated in the Owner's notice.

The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder are in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

3. BUY AMERICAN PREFERENCE

This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded) and includes providing a manufactured good as a deliverable.

Reference: 49 USC § 50101, Executive Order 14005, and BABA

The Contractor certifies that its bid/offer is in compliance with 49 USC § 50101, BABA and other related Made in America Laws,[1] U.S. statutes, guidance, and FAA policies, which provide that Federal funds may not be obligated unless all iron, steel and manufactured goods used in AIP funded projects are produced in the United States, unless the Federal Aviation Administration has issued a waiver for the product; the product is listed as an Excepted Article, Material Or Supply in Federal Acquisition Regulation subpart 25.108; or is included in the FAA Nationwide Buy American Waivers Issued list.

The bidder or offeror must complete and submit the certification of compliance with FAA's Buy American Preference, BABA and Made in America laws included herein with their bid or offer. The Airport Sponsor/Owner will reject as nonresponsive any bid or offer that does not include a completed certification of compliance with FAA's Buy American Preference and BABA.

The bidder or offeror certifies that all constructions materials, defined to mean an article, material, or supply other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives that are or consist primarily of: non-ferrous metals; plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables); glass (including optic glass); lumber; or drywall used in the project are manufactured in the U.S.

4. CIVIL RIGHTS- GENERAL

This provision is mandatory and hereby included in all contracts and subcontracts.
Reference: 49 USC §47123

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

The above provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract.

5. CIVIL RIGHTS- TITLE VI LIST OF PERTINENT NONDISCRIMINATION ACTS AND AUTHORITIES

[1] Per Executive Order 14005 "Made in America Laws" means all statutes, regulations, rules, and Executive Orders relating to federal financial assistance awards or federal procurement, including those that refer to "Buy America" or "Buy American," that require, or provide a preference for, the purchase or acquisition of goods, products, or materials produced in the United States, including iron, steel, and manufactured products offered in the United States.

This provision is mandatory and hereby included in all contracts and subcontracts.
Reference: 49 USC §47123, FAA Order 1400.11

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq*., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq*.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq*.) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

6. CIVIL RIGHTS- NONDISCRIMINATION REQUIREMENTS/TITLE VI CLAUSES FOR COMPLIANCE

<u>This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded).</u>

Reference: 49 USC §47123, FAA Order 1400.11

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

i. **Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

ii. **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

iii. **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

iv. **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

v. **Sanctions for Noncompliance:** In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or

b. Cancelling, terminating, or suspending a contract, in whole or in part.

vi. **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

7. CLEAN AIR AND WATER POLLUTION CONTROL

This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded) and the contract exceeds $150,000.

Reference: 2 CFR Part 200, Appendix II(G); 42 USC § 7401, et seq; 33 USC § 1251, et seq

Contractor agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 USC §§ 7401-7671q) and the Federal Water Pollution Control Act as amended (33 USC §§ 1251-1387). The Contractor agrees to report any violation to the Owner immediately upon discovery. The Owner assumes responsibility for notifying the Environmental Protection Agency (EPA) and the Federal Aviation Administration.

Contractor must include this requirement in all subcontracts that exceed $150,000.

8. CONTRACT WORKHOURS AND SAFETY STANDARDS ACT REQUIREMENTS

This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded), the contract exceeds $100,000, and the Project employs laborers, mechanics, watchmen, and guards (his includes members of survey crews and exploratory drilling operations).

Reference: 2 CFR Part 200, Appendix II(E); 2 CFR § 5.5(b); 40 USC § 3702; 40 USC § 3704

1. Overtime Requirements.

No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic, including watchmen and guards, in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; Liability for Unpaid Wages; Liquidated Damages.

In the event of any violation of the clause set forth in paragraph (1) of this clause, the Contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this clause, in the sum of $29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this clause.

3. Withholding for Unpaid Wages and Liquidated Damages.

The Federal Aviation Administration (FAA) or the Owner shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this clause.

4. Subcontractors.

The Contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs (1) through (4) and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this clause.

9. COPELAND "ANTI-KICKBACK" ACT

This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded), the Project includes tasks that meet the definition of construction, alteration, or repair (as defined in 29 CFR Part 5), and it exceeds $2,000.
Reference: 2 CFR Part 200, Appendix II(D); 29 CFR Parts 3 and 5

Contractor must comply with the requirements of the Copeland "Anti-Kickback" Act (18 USC 874 and 40 USC 3145), as supplemented by Department of Labor regulation 29 CFR part 3. Contractor and subcontractors are prohibited from inducing, by any means, any person employed on the project to give up any part of the compensation to which the employee is entitled. The Contractor and each Subcontractor must submit to the Owner, a weekly statement on the wages paid to each employee performing on covered work during the prior week. Owner must report any violations of the Act to the Federal Aviation Administration.

10. DAVIS-BACON REQUIREMENTS

This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded), the Project includes tasks that meet the definition of construction, alteration, or repair (as defined in 29 CFR Part 5), and it exceeds $2,000.
Reference: 2 CFR Part 200, Appendix II(D); 29 CFR Part 5; 49 USC § 47112(b); 40 USC §§ 3141-3144, and 3147

1. Minimum Wages.

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by the Secretary of Labor under the Copeland Act (29 CFR Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalent thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the Contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: *Provided,* that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under (1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the Contractor and its subcontractors at the site of the work in a prominent and accessible place where it can easily be seen by the workers.

(ii)(A) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination;

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the Contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(C) In the event the Contractor, the laborers, or mechanics to be employed in the classification, or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii) (B) or (C) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, *Provided,* that the Secretary of Labor has found, upon the written request of the Contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the Contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

2. Withholding. The Federal Aviation Administration or the Sponsor shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the Contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the Contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the Federal Aviation Administration may, after written notice to the Contractor, Sponsor, Applicant, or Owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

3. Payrolls and Basic Records.

(i) Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker; his or her correct classification; hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in 1(b)(2)(B) of the Davis-Bacon Act); daily and weekly number of hours worked; deductions made; and actual wages paid. Whenever the

Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the Contractor shall maintain records that show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual costs incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The Contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the Federal Aviation Administration if the agency is a party to the contract, but if the agency is not such a party, the Contractor will submit the payrolls to the applicant, Sponsor, or Owner, as the case may be, for transmission to the Federal Aviation Administration. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR § 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (*e.g.,* the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH–347 is available for this purpose from the Wage and Hour Division Web site at *http://www.dol.gov/esa/whd/forms/wh347instr.htm* or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the Federal Aviation Administration if the agency is a party to the contract, but if the agency is not such a party, the Contractor will submit them to the applicant, Sponsor, or Owner, as the case may be, for transmission to the Federal Aviation Administration, the Contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sponsoring government agency (or the applicant, Sponsor, or Owner).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the Contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR § 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR § 5.5 (a)(3)(i), and that such information is correct and complete;

(2) That each laborer and mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or

indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the Contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The Contractor or subcontractor shall make the records required under paragraph (3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the Sponsor, the Federal Aviation Administration, or the Department of Labor and shall permit such representatives to interview employees during working hours on the job. If the Contractor or subcontractor fails to submit the required records or to make them available, the Federal agency may, after written notice to the Contractor, Sponsor, applicant, or Owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR § 5.12.

4. Apprentices and Trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the Contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the Contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR § 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination that provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate that is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the Contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal Employment Opportunity. The utilization of apprentices, trainees, and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act Requirements.

The Contractor shall comply with the requirements of 29 CFR Part 3, which are incorporated by reference in this contract.

6. Subcontracts.

The Contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR §§ 5.5(a)(1) through (10) and such other clauses as the Federal Aviation Administration may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR § 5.5.

7. Contract Termination: Debarment.

A breach of the contract clauses in paragraph 1 through 10 of this section may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR § 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements.

All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.

9. Disputes Concerning Labor Standards.

Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the Contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of Eligibility.

(i) By entering into this contract, the Contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the Contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR § 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR § 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 USC § 1001.

11. DEBARMENT AND SUSPENSION (NON-PROCUREMENT)

<u>This provision is mandatory and hereby included in all contracts and subcontracts if they involve a covered transaction (as defined in 2 CFF Part 180 subpart B), including AIP funded Projects if the contract is $25,000 or more.</u>

Reference: 2 CFR Part 180 (Subpart B); 2 CFR Part 200, Appendix II(H); 2 CFR Part 1200; DOT Order 4200.5; Executive Orders 12549 and 12689

The successful bidder, by administering each lower tier subcontract that exceeds $25,000 as a "covered transaction", must confirm each lower tier participant of a "covered transaction" under the project is not presently debarred or otherwise disqualified from participation in this federally-assisted project. The successful bidder will accomplish this by:

1. Checking the System for Award Management at website: http://www.sam.gov.

2. Collecting a certification statement similar to the Certification of Offeror /Bidder Regarding Debarment, above.
3. Inserting a clause or condition in the covered transaction with the lower tier contract.

If the Federal Aviation Administration later determines that a lower tier participant failed to disclose to a higher tier participant that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedies, including suspension and debarment of the non-compliant participant.

12. DISADVANTAGED BUSINESS ENTERPRISES

This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded) and the Project/Client has a DBE program on file with the FAA. **The language below must be included in any subcontracts and must not be modified.**

Reference: 49 CFR Part 26

Contract Assurance (49 CFR § 26.13; mandatory text provided) –

The Contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

1) Withholding monthly progress payments;
2) Assessing sanctions;
3) Liquidated damages; and/or
4) Disqualifying the Contractor from future bidding as non-responsible.

Prompt Payment (49 CFR § 26.29; acceptable/sample text provided) –

The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 30 days from the receipt of each payment the prime contractor receives from Client. The prime contractor agrees further to return retainage payments to each subcontractor within 30 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the Client. This clause applies to both DBE and non-DBE subcontractors.

Termination of DBE Subcontracts (49 CFR § 26.53(f); acceptable/sample text provided) –

The prime contractor must not terminate a DBE subcontractor listed in response to the Solicitation paragraph number where paragraph 12.3.1, Solicitation Language appears (or an approved substitute DBE firm) without prior written consent of Client. This includes, but is not limited to, instances in which the prime contractor seeks to perform work originally designated for a DBE subcontractor with its own forces or those of an affiliate, a non-DBE firm, or with another DBE firm.

The prime contractor shall utilize the specific DBEs listed to perform the work and supply the materials for which each is listed unless the contractor obtains written consent Client. Unless Client consent is provided, the prime contractor shall not be entitled to any payment for work or material unless it is performed or supplied by the listed DBE.

Client may provide such written consent only if Client agrees, for reasons stated in the concurrence document, that the prime contractor has good cause to terminate the DBE firm. For purposes of this paragraph, good cause includes the circumstances listed in 49 CFR §26.53.

Before transmitting to Client its request to terminate and/or substitute a DBE subcontractor, the prime contractor must give notice in writing to the DBE subcontractor, with a copy to Client, of its intent to request to terminate and/or substitute, and the reason for the request.

The prime contractor must give the DBE five days to respond to the prime contractor's notice and advise Client and the contractor of the reasons, if any, why it objects to the proposed termination of its subcontract and why Client should not approve the prime contractor's action. If required in a particular case as a matter of public necessity (e.g., safety), Client may provide a response period shorter than five days.

In addition to post-award terminations, the provisions of this section apply to preaward deletions of or substitutions for DBE firms put forward by offerors in negotiated procurements.

13. DISTRACTED DRIVING

<u>This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded) and the contract exceeds the micro-purchase threshold of 2 CFR § 200.320 (currently set at $10,000).</u>
Reference: Executive Order 13513; DOT Order 3902.10

TEXTING WHEN DRIVING

In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving", (10/1/2009) and DOT Order 3902.10, "Text Messaging While Driving", (12/30/2009), the Federal Aviation Administration encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or subgrant.

In support of this initiative, the Owner encourages the Contractor to promote policies and initiatives for its employees and other work personnel that decrease crashes by distracted drivers, including policies that ban text messaging while driving motor vehicles while performing work activities associated with the project. The Contractor must include the substance of this clause in all sub-tier contracts exceeding $10,000 that involve driving a motor vehicle in performance of work activities associated with the project.

14. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT

This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded).

Reference: 2 CFR § 200, Appendix II(K); 2 CFR § 200.216

Contractor and Subcontractor agree to comply with mandatory standards and policies relating to use and procurement of certain telecommunications and video surveillance services or equipment in compliance with the National Defense Authorization Act [Public Law 115-232 § 889(f)(1)].

15. EQUAL OPPORTUNITY CLAUSE AND SPECIFICATIONS

This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded) and the contract exceeds $10,000.

Reference: 2 CFR Part 200, Appendix II(C); 41 CFR § 60-1.4; 41 CFR § 60-4.3; Executive Order 11246

EQUAL OPPORTUNITY CLAUSE

During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identify, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff, or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

(4) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the Contractor's commitments under this section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any such rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The Contractor will include the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance*: Provided,* however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

STANDARD FEDERAL EQUAL EMPLOYMENT OPPORTUNITY CONSTRUCTION CONTRACT SPECIFICATIONS

1. As used in these specifications:

   a. "Covered area" means the geographical area described in the solicitation from which this contract resulted;

   b. "Director" means Director, Office of Federal Contract Compliance Programs (OFCCP), U.S. Department of Labor, or any person to whom the Director delegates authority;

   c. "Employer identification number" means the Federal social security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941;

   d. "Minority" includes:

(1) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);

(2) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race);

(3) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(4) American Indian or Alaskan native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

2. Whenever the Contractor, or any subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of $10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.

3. If the Contractor is participating (pursuant to 41 CFR part 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors must be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each contractor or subcontractor participating in an approved plan is individually required to comply with its obligations under the EEO clause and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other contractors or subcontractors toward a goal in an approved Plan does not excuse any covered contractor's or subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.

4. The Contractor shall implement the specific affirmative action standards provided in paragraphs 7a through 7p of these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. Covered construction contractors performing construction work in a geographical areas where they do not have a Federal or federally assisted construction contract shall apply the minority and female goals established for the geographical area where the work is being performed. Goals are published periodically in the Federal Register in notice form, and such notices may be obtained from any Office of Federal Contract Compliance Programs office or from Federal procurement contracting officers. The Contractor is expected to make substantially uniform progress in meeting its goals in each craft during the period specified.

5. Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women

shall excuse the Contractor's obligations under these specifications, Executive Order 11246, or the regulations promulgated pursuant thereto.

6. In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

7. The Contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the Contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each construction project. The Contractor shall specifically ensure that all foremen, superintendents, and other onsite supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.

b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

c. Maintain a current file of the names, addresses, and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source, or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

d. Provide immediate written notification to the Director when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

e. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The

Contractor shall provide notice of these programs to the sources compiled under 7b above.

f. Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

g. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions including specific review of these items with onsite supervisory personnel such superintendents, general foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

h. Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other contractors and subcontractors with whom the Contractor does or anticipates doing business.

i. Direct its recruitment efforts, both oral and written, to minority, female, and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

j. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer, and vacation employment to minority and female youth both on the site and in other areas of a contractor's work force.

k. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR part 60-3.

l. Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel, for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

m. Ensure that seniority practices, job classifications, work assignments, and other personnel practices do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations under these specifications are being carried out.

n. Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

p. Conduct a review, at least annually, of all supervisor's adherence to and performance under the Contractor's EEO policies and affirmative action obligations.

8. Contractors are encouraged to participate in voluntary associations, which assist in fulfilling one or more of their affirmative action obligations (7a through 7p). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant may be asserted as fulfilling any one or more of its obligations under 7a through 7p of these specifications provided that the Contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's noncompliance.

9. A single goal for minorities and a separate single goal for women have been established. The Contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation of the Executive Order if a particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women generally, the Contractor may be in violation of the Executive Order if a specific minority group of women is underutilized).

10. The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, sexual orientation, gender identity, or national origin.

11. The Contractor shall not enter into any subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

12. The Contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination, and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.

13. The Contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph 7 of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR part 60-4.8.

14. The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the Government, and to keep records. Records shall at least include for each employee, the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanic, apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

15. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g. those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

16. FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)

<u>This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded).</u>

Reference: 29 USC § 201, et seq; 2 CFR § 200.430

All contracts and subcontracts incorporate by reference the provisions of 29 CFR part 201, et seq, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part-time workers.

The *Contractor* has full responsibility to monitor compliance to the referenced statute or regulation. The *Contractor* must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

17. LOBBYING AND INFLUENCING FEDERAL EMPLOYEES

<u>This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded) and the contract exceeds $100,000.</u>

Reference: 31 USC § 1352 – Byrd Anti-Lobbying Amendment; 2 CFR Part 200, Appendix II(I); 49 CFR Part 20, Appendix A

The Bidder or Offeror certifies by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Bidder or Offeror, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

18. PROHIBITION OF SEGREGATED FACILITIES

<u>This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded) and the contract includes a task that qualifies as a construction work as defined by 41 CFR Part 60-1.</u>

Reference: 2 CFR Part 200, Appendix II(C); 41 CFR § 60-1

(a) The Contractor agrees that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Contractor agrees that a breach of this clause is a violation of the Equal Employment Opportunity clause in this contract.

(b) "Segregated facilities," as used in this clause, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, sexual orientation, gender identity, or national origin because of written or oral policies or employee custom. The term does not include separate or single-user rest rooms or necessary dressing or sleeping areas provided to assure privacy between the sexes.

(c) The Contractor shall include this clause in every subcontract and purchase order that is subject to the Equal Employment Opportunity clause of this contract.

19. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded).

Reference: 29 CFR Part 1910

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. The employer must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The employer retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (29 CFR Part 1910). The employer must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

20. PROCUREMENT OF RECOVERED MATERIALS

This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded) and the contract includes procurement of a product that exceeds $10,000.

Reference: 2 CFR § 200.323; 2 CFR Part 200, Appendix II(J); 40 CFR Part 247; 42 USC § 6901, et seq [Resource Conservation and Recovery Act (RCRA)]

Contractor and subcontractor agree to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, and the regulatory provisions of 40 CFR Part 247. In the performance of this contract and to the extent practicable, the Contractor and subcontractors are to use products containing the highest percentage of recovered materials for items designated by the Environmental Protection Agency (EPA) under 40 CFR Part 247 whenever:

1) The contract requires procurement of $10,000 or more of a designated item during the fiscal year; or
2) The contractor has procured $10,000 or more of a designated item using Federal funding during the previous fiscal year.

The list of EPA-designated items is available at www.epa.gov/smm/comprehensive-procurement-guidelines-construction-products.

Section 6002(c) establishes exceptions to the preference for recovery of EPA-designated products if the contractor can demonstrate the item is:

a) Not reasonably available within a timeframe providing for compliance with the contract performance schedule;
b) Fails to meet reasonable contract performance requirements; or
c) Is only available at an unreasonable price.

21. RIGHTS TO INVENTIONS

This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded) and includes experimental, developmental, or research work.
Reference: 2 CFR Part 200, Appendix II(F); 37 CFR Part 401

Contracts or agreements that include the performance of experimental, developmental, or research work must provide for the rights of the Federal Government and the Owner in any resulting invention as established by 37 CFR part 401, Rights to Inventions Made by Non-profit Organizations and Small Business Firms under Government Grants, Contracts, and Cooperative Agreements. This contract incorporates by reference the patent and inventions rights as specified within 37 CFR § 401.14. Contractor must include this requirement in all sub-tier contracts involving experimental, developmental, or research work.

22. SEISMIC SAFETY

This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded) and includes is involved in the construction of new buildings or structural addition to existing buildings.
Reference: 49 CFR Part 41

In the performance of design services, the Consultant agrees to furnish a building design and associated construction specification that conform to a building code standard that provides a level of seismic safety substantially equivalent to standards as established by the National Earthquake Hazards Reduction Program (NEHRP). Local building codes that model their building code after the current version of the International Building Code (IBC) meet the NEHRP equivalency level for seismic safety. At the conclusion of the design services, the Consultant agrees to furnish the Owner a "certification of compliance" that attests conformance of the building design and the construction specifications with the seismic standards of NEHRP or an equivalent building code.

23. TAX DELINQUENCY AND FELONY CONVICTIONS

This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded, in whole or in part, (or otherwise federally funded).
Reference: Section 8113 of the Consolidated Appropriations Act, 2022 (Public Law 117-103) and similar provisions in subsequent appropriations acts; DOT Order 4200.6 – Appropriations Act Requirements for Procurement and Non-Procurement Regarding Tax Delinquency and Felony Convictions

The applicant must complete the following two certification statements. The applicant must indicate its current status as it relates to tax delinquency and felony conviction by inserting a checkmark (✓) in the space following the applicable response. The applicant agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification in all lower tier subcontracts.

Certifications

1) The applicant represents that it is not (X) a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.
2) The applicant represents that it is not (X) a corporation that was convicted of a criminal violation under any Federal law within the preceding 24 months.

Note

If an applicant responds in the affirmative to either of the above representations, the applicant is ineligible to receive an award unless the Sponsor has received notification from the agency suspension and debarment official (SDO) that the SDO has considered suspension or debarment and determined that further action is not required to protect the Government's interests. The applicant therefore must provide information to the owner about its tax liability or conviction to the Owner, who will then notify the FAA Airports District Office, which will then notify the agency's SDO to facilitate completion of the required considerations before award decisions are made.

Term Definitions

conviction: Felony conviction means a conviction within the preceding twenty four (24) months of a felony criminal violation under any Federal law and includes conviction of an **Felony** offense defined in a section of the U.S. Code that specifically classifies the offense as a felony and conviction of an offense that is classified as a felony under 18 USC § 3559.

Tax Delinquency: A tax delinquency is any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

24. TERMINATION OF CONTRACT

This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded) and the contract is in excess to $10,000.
Reference: 2 CFR Part 200, Appendix II(B); FAA Advisory Circular 150/5370-10, Section 80-09

TERMINATION FOR CONVENIENCE (CONSTRUCTION & EQUIPMENT CONTRACTS)

The Owner may terminate this contract in whole or in part at any time by providing written notice to the Contractor. Such action may be without cause and without prejudice to any other right or remedy of Owner. Upon receipt of a written notice of termination, except as explicitly directed by the Owner, the Contractor shall immediately proceed with the following obligations regardless of any delay in determining or adjusting amounts due under this clause:

1. Contractor must immediately discontinue work as specified in the written notice.
2. Terminate all subcontracts to the extent they relate to the work terminated under the notice.
3. Discontinue orders for materials and services except as directed by the written notice.

4. Deliver to the Owner all fabricated and partially fabricated parts, completed and partially completed work, supplies, equipment and materials acquired prior to termination of the work, and as directed in the written notice.
5. Complete performance of the work not terminated by the notice.
6. Take action as directed by the Owner to protect and preserve property and work related to this contract that Owner will take possession.

Owner agrees to pay Contractor for:

1. Completed and acceptable work executed in accordance with the contract documents prior to the effective date of termination;
2. Documented expenses sustained prior to the effective date of termination in performing work and furnishing labor, materials, or equipment as required by the contract documents in connection with uncompleted work;
3. Reasonable and substantiated claims, costs, and damages incurred in settlement of terminated contracts with Subcontractors and Suppliers; and
4. Reasonable and substantiated expenses to the Contractor directly attributable to Owner's termination action.

Owner will not pay Contractor for loss of anticipated profits or revenue or other economic loss arising out of or resulting from the Owner's termination action.

The rights and remedies this clause provides are in addition to any other rights and remedies provided by law or under this contract.

TERMINATION FOR CONVENIENCE (PROFESSIONAL SERVICES)

The Owner may, by written notice to the Consultant, terminate this Agreement for its convenience and without cause or default on the part of Consultant. Upon receipt of the notice of termination, except as explicitly directed by the Owner, the Contractor must immediately discontinue all services affected.

Upon termination of the Agreement, the Consultant must deliver to the Owner all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the Engineer under this contract, whether complete or partially complete.

Owner agrees to make just and equitable compensation to the Consultant for satisfactory work completed up through the date the Consultant receives the termination notice. Compensation will not include anticipated profit on non-performed services.

Owner further agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

TERMINATION FOR CAUSE (CONSTRUCTION)

Section 80-09 of FAA Advisory Circular 150/5370-10 establishes standard language for conditions, rights, and remedies associated with Owner termination of this contract for cause due to default of the Contractor.

TERMINATION FOR CAUSE (EQUIPMENT)

The Owner may, by written notice of default to the Contractor, terminate all or part of this Contract for cause if the Contractor:

1. Fails to begin the Work under the Contract within the time specified in the Notice- to-Proceed;
2. Fails to make adequate progress as to endanger performance of this Contract in accordance with its terms;
3. Fails to make delivery of the equipment within the time specified in the Contract, including any Owner approved extensions;
4. Fails to comply with material provisions of the Contract;
5. Submits certifications made under the Contract and as part of their proposal that include false or fraudulent statements; or
6. Becomes insolvent or declares bankruptcy.

If one or more of the stated events occur, the Owner will give notice in writing to the Contractor and Surety of its intent to terminate the contract for cause. At the Owner's discretion, the notice may allow the Contractor and Surety an opportunity to cure the breach or default.

If within [10] days of the receipt of notice, the Contractor or Surety fails to remedy the breach or default to the satisfaction of the Owner, the Owner has authority to acquire equipment by other procurement action. The Contractor will be liable to the Owner for any excess costs the Owner incurs for acquiring such similar equipment.

Payment for completed equipment delivered to and accepted by the Owner shall be at the Contract price. The Owner may withhold from amounts otherwise due the Contractor for such completed equipment, such sum as the Owner determines to be necessary to protect the Owner against loss because of Contractor default.

Owner will not terminate the Contractor's right to proceed with the work under this clause if the delay in completing the work arises from unforeseeable causes beyond the control and without the fault or negligence of the Contractor. Examples of such acceptable causes include: acts of God, acts of the Owner, acts of another Contractor in the performance of a contract with the Owner, and severe weather events that substantially exceed normal conditions for the location.

If, after termination of the Contractor's right to proceed, the Owner determines that the Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the Owner issued the termination for the convenience the Owner.

The rights and remedies of the Owner in this clause are in addition to any other rights and remedies provided by law or under this contract.

TERMINATION FOR CAUSE (PROFESSIONAL SERVICES)

Either party may terminate this Agreement for cause if the other party fails to fulfill its obligations that are essential to the completion of the work per the terms and conditions of the Agreement. The party initiating the termination action must allow the breaching party an opportunity to dispute or cure the breach.

The terminating party must provide the breaching party [7] days advance written notice of its intent to terminate the Agreement. The notice must specify the nature and extent of the breach, the conditions necessary to cure the breach, and the effective date of the termination action. The rights and remedies in this clause are in addition to any other rights and remedies provided by law or under this agreement.

a) **Termination by Owner**: The Owner may terminate this Agreement for cause in whole or in part, for the failure of the Consultant to:

1. Perform the services within the time specified in this contract or by Owner approved extension;
2. Make adequate progress so as to endanger satisfactory performance of the Project; or
3. Fulfill the obligations of the Agreement that are essential to the completion of the Project.

Upon receipt of the notice of termination, the Consultant must immediately discontinue all services affected unless the notice directs otherwise. Upon termination of the Agreement, the Consultant must deliver to the Owner all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the Engineer under this contract, whether complete or partially complete.

Owner agrees to make just and equitable compensation to the Consultant for satisfactory work completed up through the date the Consultant receives the termination notice. Compensation will not include anticipated profit on non-performed services.

Owner further agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

If, after finalization of the termination action, the Owner determines the Consultant was not in default of the Agreement, the rights and obligations of the parties shall be the same as if the Owner issued the termination for the convenience of the Owner.

b) **Termination by Consultant**: The Consultant may terminate this Agreement for cause in whole or in part, if the Owner:

1. Defaults on its obligations under this Agreement;
2. Fails to make payment to the Consultant in accordance with the terms of this Agreement;
3. Suspends the project for more than [180] days due to reasons beyond the control of the Consultant.

Upon receipt of a notice of termination from the Consultant, Owner agrees to cooperate with Consultant for the purpose of terminating the agreement or portion thereof, by mutual consent. If Owner and Consultant cannot reach mutual agreement on the termination settlement, the Consultant may, without prejudice to any rights and remedies it may have, proceed with terminating all or parts of this Agreement based upon the Owner’s breach of the contract.

In the event of termination due to Owner breach, the Consultant is entitled to invoice Owner and to receive full payment for all services performed or furnished in accordance with this Agreement and all justified reimbursable expenses incurred by the Consultant through the effective date of termination action. Owner agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

25. TRADE RESTRICTION CERTIFICATION

This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded).
Reference: 49 USC § 50104; 49 CFR Part 30

By submission of an offer, the Offeror certifies that with respect to this solicitation and any resultant contract, the Offeror –

1) is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (USTR);

2) has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the USTR; and

3) has not entered into any subcontract for any product to be used on the Federal project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18 USC § 1001.

The Offeror/Contractor must provide immediate written notice to the Owner if the Offeror/Contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Contractor must require subcontractors provide immediate written notice to the Contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR § 30.17, no contract shall be awarded to an Offeror or subcontractor:

1) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR; or
2) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such USTR list; or
3) who incorporates in the public works project any product of a foreign country on such USTR list.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The Offeror agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in all lower tier subcontracts. The Contractor may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that discriminate against U.S. firms as published by USTR, unless the Offeror has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration (FAA) may direct through the Owner cancellation of the contract or subcontract for default at no cost to the Owner or the FAA.

26. VETERAN'S PREFERENCE

This provision is mandatory and hereby included in all contracts and subcontracts if the Project is AIP funded (or otherwise federally funded) and involves labor to carry out the Project.
Reference: 49USC § 47112(c)

In the employment of labor (excluding executive, administrative, and supervisory positions), the Contractor and all sub-tier contractors must give preference to covered veterans as defined within Title 49 United States Code Section 47112. Covered veterans include Vietnam-era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns (as defined by 15 USC § 632) owned and controlled by disabled veterans. This preference only applies when there are covered veterans readily available and qualified to perform the work to which the employment relates.

Charlevoix City Council

Consent Agenda

Title: Water Tower Maintenance Engineering for the amount of $14,000
Date: June 17, 2024

Presented By:

Background:
In the approved 2024/25 budget, we have allocated money for engineering services to complete the technical specifications and construction documents for multiple upgrades/modifications to our water tower. We completed an inspection of the water tower last year and also had an EGLE review of the current condition of our tower and have come up with a number of recommended or required upgrades to the tower. This contract with Dixon Engineering is the first step towards being able to bid this work out and complete the work later this fall. The funds for this project are included in the Water Department budget and the proposed cost from Dixon Engineering is within that budgeted amount as well.

There are a number of items that they will be completing specifications for that include work like installing a handrail on the roof to meet EGLE requirements, replacing the wet interior roof hatch, replacing the current roof vent with a pressure vacuum vent etc.

This contract with Dixon Engineering also includes construction inspection and quality control throughout the construction process.

Recommendation:
Motion to accept the proposal as presented by Dixon Engineering for the amount of $14,000 and authorize the City Manager to sign any required documents.

Attachments:
1. 2024 Charlevoix MI RFQ Proposal

AGREEMENT BETWEEN OWNER AND DIXON

FOR PROFESSIONAL SERVICES

THIS IS AN AGREEMENT effective as of: ____________________ ("Effective date") between **City of Charlevoix, Michigan** ("Owner") and Dixon Engineering, Inc. of Lake Odessa, Michigan (DIXON).

IN WITNESS WHEREOF, the ("Owner") and ("DIXON") have executed this Agreement. The Owner's Project, of which DIXON's Services under this Agreement are a part, is generally identified as follows: **RFQ Technical Specifications, Welding and Coating Observations on the 300,000 Gallon Spheroid** ("Project").

Other terms used in this Agreement are defined in EXHIBIT GP and EJCDC C-700-18®, Standard General Conditions of the Construction Contract, incorporated by reference into this Agreement.

This service fee is the Estimated Amount of $**14,000**.

Proposals / Agreement Signatures

Eric Binkowski, Project Manager — June 10, 2024

PROPOSED by DIXON (Not a contract until approved by Project Manager or Officer) — PROPOSAL DATE

____

CONTRACT APPROVED BY OWNER — POSITION — DATE

____

Co SIGNATURE (if required) — POSITION — DATE

____

AGREEMENT APPROVED by DIXON — POSITION — DATE

With the execution of this Agreement, DIXON and Owner shall designate specific individuals to act as DIXON's and Owner's representatives with respect to the services to be performed or furnished by DIXON and responsibilities of Owner under this Agreement, said individual shall have authority to transmit instructions, receive information, and render decisions relative to this Agreement on behalf of the respective party whom the individual represents.

Designated Person: Pat Elliott, Superintendent DPW	Designated Person: Eric Binkowski, PM
Address for Owner's receipt of notices:	Address for DIXON's receipt of notices:
City of Charlevoix	Dixon Engineering, Inc.
401 W. Carpenter Ave.	1104 Third Avenue
Charlevoix, MI 49720	Lake Odessa, MI 48849
Email: pate@charlevoixmi.gov	Email: ericbinkowski@dixonengineering.net

Any notice required under this Agreement shall be in writing, addressed to the Designated Contract Person at its address on this signature page, or given personally, or by registered or certified mail postage prepaid, or by a commercial courier service. All notices be shall effective upon the date of receipt.

Owner and DIXON further agree as follows:

ARTICLE 1 SERVICES OF DIXON

1.01 DIXON shall provide or cause to be provided:

A. Contract and Project Management (Basic)Services: EXHIBIT A Part 1
B. Resident Project Representative (RPR): EXHIBIT A Part 1
C. Other Services: Services beyond the scope of Exhibit A are Additional Services.

ARTICLE 2 OWNER'S RESPONSIBILITIES

2.01 Owner shall provide or cause to be provided:

A. Responsibilities set forth in Exhibit A, Part 1, Section C of each Phase.
B. The Owner shall arrange for safe access to and make all provisions for DIXON to enter upon public and private property as required for DIXON to perform services under the agreement.

ARTICLE 3 SCHEDULE FOR RENDERING SERVICES

3.01 Commencement:

A. DIXON is authorized to begin rendering services as of the Effective Date or mutually agreeable date.
B. DIXON shall complete its obligations within a reasonable time. If a specific period for rendering services, or specific dates by which services are to be completed are required, the dates are provided in Exhibit A, and are hereby agreed to be reasonable.

ARTICLE 4 INVOICES AND PAYMENTS – PER EXHIBIT C

ARTICLE 5 OPINIONS OF COST – GENERAL PROVISIONS PER EXHIBIT GP

ARTICLE 6 GENERAL PROVISIONS PER EXHIBIT GP

ARTICLE 7 DEFINITIONS

A. Whenever used in this Agreement (including the Exhibits hereto) terms (including the singular and plural forms) printed with initial capital letters have the same meaning indicated in the Construction Contract Documents, EJCDC C-700 18.
B. Additional definitions pertinent to invoicing or payment can be found in Exhibit C.

ARTICLE 8 EXHIBITS AND SPECIAL PROVISIONS

A. EXHIBITS Included:
   1. EXHIBIT A, DIXON's Services and Owner's Responsibilities.
   2. EXHIBIT C, Basis of Fees, Invoicing, and Payment Matters.
   3. EXHIBIT C, Attachments C-1, and C-2.
   4. EXHIBIT E, Electronic Documents Protocol (EDP).
   5. EXHIBIT GP, General Provisions from the Agreement and Exhibits.
   6. EXHIBIT IR, Insurance Requirements and Limits of Liability.
B. EXHIBITS to be added as needed:
   1. EXHIBIT B, Antenna Services to be performed by DIXON or Owner.
   2. EXHIBIT J, Special Provisions. Services added at/before Effective date (included in original Agreement sometimes referred to as an Addendum).
   3. EXHIBIT K, Amendment to Owner-DIXON Agreement for Services added or changed after effective date of this Agreement or for clarification if requested.
C. EXHIBITS D, F, and H from EJCDC merged with other EXHIBITS or not used.

ARTICLE 9 MISCELLANEOUS PROVISIONS

9.00 Miscellaneous Provisions are items that pertain to the legal terms of this Agreement. All General Provisions from Article 6 are in Exhibit GP. General Provisions are those Provisions that refer mostly to services that result from this Agreement and subsequent Task Orders. (The General Provisions relate to the Work to be performed as opposed to these Miscellaneous Provisions which relate to Contract formation.)

9.01 Survival:

A. All express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason.

9.02 Severability:

A. Any provision or part of the Agreement held to be void or unenforceable under any Laws or Regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and DIXON, which agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

9.03 Successors, Assigns, and Beneficiaries:

A. Owners and DIXON are hereby bound, and the successors, executors, administrators, and legal representatives of Owner and DIXON are hereby bound to the other party to this Agreement and to the successors, executors, administrators, and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements, and obligations of this Agreement.

B. Unless expressly provided otherwise in this Agreement:

1. Nothing in this Agreement shall be constructed to create, impose, or give rise to any duty owed by Owner or DIXON to any Contractor, other third-party individual or entity, or to any surety for or employee of any of them and not for the benefit of any other party.
2. All duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of Owner and DIXON and not for the benefit of any other party.

9.04 Waiver:

A. A party's non-enforcement of any provision shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of this agreement.

9.05 Accrual of Claims:

A. To the fullest extent permitted by Laws and Regulations, all causes of action arising under this Agreement shall be deemed to have accrued, and all statutory periods of limitation shall commence, no later than the date of Substantial Completion.

9.06 DIXON's Certifications:

A. DIXON certifies that it has not engaged in corrupt, fraudulent, or coercive practices in competing for or in executing the Agreement.

9.07 Total Agreement:

A. This Agreement, (together with the included Exhibits) constitutes the entire agreement between Owner and DIXON and supersedes all prior written or oral understandings. This agreement may only be amended, supplemented, modified, or canceled by a written instrument duly executed by both parties. Amendments should be based, whenever possible, on the format of Exhibit K.

DIXON'S SERVICES AND OWNER'S RESPONSIBILITIES

Article 1 and 2 of the Agreement is supplemented to include the following agreement of the parties: DIXON shall provide Contract and Project Management (BASIC) Services, and Resident Project Representative (RPR).

DIXON has combined the six construction project phases into four phases: Design or Technical Specification Phase, Contract Document and Bidding Phase, Construction Phase, and Post Construction Phase. We then included DIXON's Basic Services, RPR Services, and Owner's responsibilities for each respective phase.

PART 1

A1.01 Design and Bidding Phase – RFQ Technical Specifications:

A. Basic Services:
1. In preparing the RFQ Technical Specifications, use Design, Bid, Build Project Strategy.
2. DIXON shall prepare RFQ Technical Specifications and Drawings to include:
    1. Specifications and Drawings for replacement of fill pipe expansion joint improvements.
    2. Specifications for welding, coating repair or replacement.
3. Advise Owner of additional reports, data, information, or services which may be necessary, and assist Owner in obtaining such materials.
4. Furnish two review copies of the Design Phase documents, to Owner, and review those documents with Owner.
5. After receipt, the Owner shall review the Design Phase documents and submit to DIXON any comments regarding the furnished items within two weeks of receipt or as mutually agreed.
6. Advise Owner of any recommended adjustments to the opinion of probable Construction Cost.
7. In response to Owner's comments, as appropriate, make revisions and furnish to Owner one electronic copy of the revised Design Phase documents.
8. Provide technical criteria and file applications for permits for approvals of governmental authorities having jurisdiction to review or approve the design; and revise the Technical Specifications in response, as appropriate.
9. Furnish for review by Owner, its legal counsel, insurance and other advisors, the draft bidding related RFQ Bid Documents and review them with Owner. The Owner shall submit to DIXON any comments regarding the furnished items, and any instructions for revisions.
10. Revise the final RFQ Bid Documents and Specifications in accordance with comments and instructions from the Owner, as appropriate, and submit one electronic copy of revised documents to Owner.
11. Direct mail advertisements to Contractors who have been prequalified, as capable and responsive by DIXON.
12. Review the bids submitted to the Owner and recommend an award in writing based on lowest responsible and responsive bidder.
13. Review insurance submitted by selected Contractor solely as to compliance with insurance amounts are of the format required. Insurance documents are forwarded to the Owner for full review by their Insurance Consultant.
14. Furnish Owner the RFQ Contract Documents for signatures and distribution. (One signed copy to Owner, one to Contractor and one to DIXON).
15. DIXON's services under the Design and Bidding Phase will be considered complete on the date when DIXON has delivered to the Owner the signed RFQ Contract documents.

B. Design and Bidding Phase – RPR Services–None
C. Design and Bidding Phase – Owner's Responsibility:
   1. Provide DIXON with all criteria and full information as to Owner's requirements for the Project, including design objectives and constraints-and upon DIXON's request, obtain, and furnish, such additional Project-related information and data as is reasonably required to enable DIXON to complete its Services.
   2. Give instructions to DIXON regarding Owner's procurement of construction services including instructions regarding Notice of Bids, Information for Bidders, Owner's construction contract practices and requirements, insurance and bonding requirements, requirements for electronic transmittals during construction, other information necessary for the finalization of Owner's bidding-related documents, and Construction Contract Documents.
   3. Owner shall be responsible for all requirements and instructions that it furnishes to DIXON pursuant to this Agreement. DIXON may use and rely upon such requirements, materials, and information in performing or furnishing services under this Agreement, subject to any express limitations or reservations applicable to the furnished items.
   4. Use, unaltered, the RFQ Contract Documents provided by DIXON when entering into an agreement with the Contractor. DIXON will not unreasonably withhold a request to alter the document.
   5. Review insurance certificates of selected Contractor. These should be reviewed by the Owner's insurance consultant and attorney for legality and compliance with required indemnification, subrogation, amounts and all other insurance matters.

A1.02 Construction Phase:

A. Basic Services:
   1. DIXON will consult with Owner and act as Owner's representative as provided in the Construction Contract.
   2. All of Owner's instructions to Contractor will be issued through DIXON, which shall have authority to act on behalf of Owner in dealings with Contractor to the extent provided in this Agreement and the Construction Contract except as otherwise provided in writing.
   3. Engineer or RPR has authority to Stop Work if Engineer or RPR questions the quality of Work or rejects the Work, or if there (in the sole opinion of Engineer or RPR) a potential for creating an environmental contamination.
   4. Assist owner with the project by providing information and technical assistance during completion.
   5. Finalize Project to observe all items in the RFQ technical specifications have been completed and review the quality of workmanship.
   6. Duration of Construction Phase: The Construction Phase will terminate upon written recommendation by DIXON for final payment to Contractors.

B. RPR Services for Maintenance of Existing Structures-
   1. Hold Point General:
      a. Hold Point is a stage of the Construction Project where the Contractor stops Work. Work commences again after the Work is observed and reviewed for compliance.
   2. Hold Point Weld/Modifications- Observe, Record, Report, and:
      a. Observe repair, and or the installation of work for specifications compliance. All weld repairs will be visually observed for surface defects (i.e., undercut, negative reinforcement, non-fusion, etc.).
   3. Hold Point Coating Dry Interior - Observe, Record, Report, and:
      a. Spot power tool, feathering, and compliance with specifications.
      b. Prime coat prior to application of the next coat.
      c. Topcoat for compliance with specification.
      d. Finalize the project to ensure all items in the contract specifications have been completed, and the quality of workmanship meets contract requirements.

C. Construction Phase - Owner's Responsibilities:
   1. Inform DIXON in writing of any specific requirements of safety or security programs that are applicable to DIXON, as a visitor to the Site.
   2. Be available if necessary to attend and participate in any preconstruction conferences, construction progress and other job-related meetings or site visits to determine Substantial Completion and readiness of the completed Work for final payment.

A2.01 ADDITIONAL SERVICES

A. Any service not listed or referenced above in Part 1 will be considered an Additional Service.
   1. All additional requested services and associated fees shall be documented by Exhibit K, Contract Amendment signed by both parties.

BASIS OF FEES, INVOICING AND PAYMENT

General Provisions of Article 4 of the Agreement has been moved to this EXHIBIT C:

Part 1 BASIS OF FEES

C1.00 Owner's Responsibility:

A. Owner shall pay DIXON for Basic (Project Management and Contract Administration), Resident Project Representative (RPR), Post Construction Observation and Additional Services as detailed below and as summarized in Attachment 1 to Exhibit C. (Exhibit C-1).

C1.01 Basis:

A. Standard Hourly Rates - An amount equal to the cumulative hours charged to the Project by each classification of DIXON's personnel, times Standard Hourly Rates and Overtime rates for each applicable billing classification. (Exhibit C-2)
B. Lump Sum (LS) Method: One agreed fee for completing an agreed defined scope of services.
C. Unit Price (UP) Method: Can be considered individual Lump Sum amounts.

C1.02 Methods of Rate Calculation and Definitions including Limitations:

A. Standard Hourly Rate (SHR) Method:
   1. The SHR method may be used for all services. It is more commonly used on portions of various Phase Services where scheduling and speed are controlled by the Contractor and may result in unforeseen project expenses; in Phase 3 Construction, Basic, and RPR services, and for Additional Services during all phases.
      a. Overtime rates apply to over 40 hours worked between Monday and Friday.
      b. Overtime rates apply for all hours worked on weekends and holidays.
      c. Weekend and Holiday hours do not count toward the accounting for 40 hours.
   2. The SHR charged by DIXON constitutes full and complete compensation for DIXON services including labor costs, overhead, and profit but not Reimbursable Expenses.
   3. The Standard Hourly Rates per employee classification listed in Attachment C-2 do not include reimbursable expenses. The estimated Reimbursable Expenses are NOT calculated and averaged over the classification rate.
      a. The estimator calculates the number of days a project is expected to require and calculates manpower required to match number of hours and services required.
      b. The estimator then calculates Reimbursable Expenses based on the same criteria.
      c. Both the total manpower estimate, and Reimbursable Expenses total estimate are added. And the total estimate is included in the fee schedule shown in Attachment C-1.

B. Lump Sum (LS) Method: One agreed fee for completing an agreed defined scope of services. The Lump Sum Method fee charged by DIXON constitutes full and completed compensation for DIXON's services including labor costs, overhead, and profit, and reimbursable expenses.
C. The Lump Sum Method is more commonly used by DIXON for portions of the Phases where DIXON has control over a greater percentage of unknowns, such as the Technical Specifications, Bidding and Contract Documents, and Post Construction Phases excluding fees for Additional Services.
   1. DIXON may use a Lump Sum for the entire project.
D. Unit Price (UP) Method: Can be considered individual Lump Sum amounts. Reimbursable expenses are calculated and included in the Unit Price methods.
   1. The Unit Price Method is used when DIXON completes Hold Point Observations, Project Progress or Preconstruction Meetings, known, controlled portions of the Contract and unknown Post Construction (Additional Services).

2. Exhibit J Amendment: If Amendment changes Scope of Services, then Additional Services may be negotiated Lump Sum or Standard Hourly Rate Method.
2. Exhibit B Antennas: LS, UP, or SHR or Combination per Exhibit K based on type of services.
3. Exhibit K Addendum: Addenda items (if any) may be negotiated according to any agreed method.
4. Subconsultants or Subcontractor Service Fees are not included in the SHR, LS, or UP methods. DIXON will invoice for Subconsultant's or Subcontractor's actual invoiced amount times a factor of 1.20. The 1.20 factor includes DIXON's overhead and profit associated with DIXON's responsibility for the administration of such services.

E. Not every Method of Rate Calculation may be used in this or any Contract, but every contract may be amended by using Exhibit K. If additional Work proposed in Exhibit K involves a different Method of Rate Calculation, it will be clearly defined herein.

C1.03 Definitions including Limitations:

A. Basic Services to be performed are identified as Basic Services in Exhibit A, or by reference, in the General Conditions (GC-700) of the Owner/Contractor Construction Documents. Basic Services are generally calculated using the SHR method. These services are contracted services and thus are prior authorized.

B. RPR Services **c**ontractually agreed services per Exhibit A or by reference, in the General Conditions (GC-700) of the Owner/Contractor Construction Document RPR services. These services are primarily observation during the Construction phase. RPR Services are generally calculated using the SHR method for Full Time or Daily services and by Unit Price for Hold Point Observations. Often a Contract for RPR services involves a combination of the SHR and the Unit Price method. These are contracted services and thus are prior authorized.

C. Contingent Services some services are Basic to every contract such as Preconstruction Meeting and review of Final Pay Request. Other Basic Services and the Project Manager's time associated with them are unknown. Some services are not used on all projects, such as review of multiple Pay Requests, Change Orders, Field Orders, and Work Change Directives. These are services which may or may not be needed, and thus Contingent. Contingent Services are generally calculated using the SHR method but may be Lump Sum or Unit Price method. These are contracted services and thus are prior authorized. Contingent services and fees may not be used in all contracts.

D. Additional Services are services outside of the Scope of Services as defined in Exhibit A. These are NOT contracted services and prior authorization in the form of Exhibit K- Addendum to Agreement is required. The calculation of fees is Work dependent and may be calculated by the SHR method, or Lump Sum or Unit Price.

E. Antenna Services are defined in Exhibit B and authorized by Exhibit K – Antenna Addendum. The calculation of the services is usually a combination of Unit Price and SHR methods. These are contracted services (by addendum) and thus are prior authorized.

C1.04 Fees:

A. Contracted Fees are detailed in this Exhibit C Attachment 1.

B. Contingency Allowance Fees, if identified or requested, are intended to allow the flexibility to continue the Project and Services, without the need for an Addendum for additional fees. Contingent Fees may be transferred within the Project Phase or transferred to other project Phases as needed. Transfer does not require prior authorization. It is intended that any fees in this Contingency be used when other accounts are exhausted or minor Additional Services are required. Contingency fees unused will not be invoiced. Basic and/or RPR Fees may be increased to accomplish the same benefits of a Contingency Allowance.

C. Set-Off Fees contractual Set-off: (Applies to Construction and Post Construction Phases only) as defined in the Technical Specifications and General Conditions of the Owner/Contractor Contract, is a Contractually agreed remedy for small violations or nonadherence of the Contract terms which result in extra or unnecessary expenses to the Owner. The cost for these unnecessary expenses is not foreseen and cannot be calculated. They are the same SHR or Unit Price method, that had the service been necessary would have been invoiced to Owner. These services generally do not require prior approval of Owner, because they are required in the administration of the Contract. Set-off fees are invoiced to the Owner, who pays DIXON. The Owner can then Set-off these charges from amounts owed to the Contractor.

1. A few examples of Set-off Fees are when the Owner has incurred extra charges or engineering costs related to:
    a. Excessive submittal review,
    b. Excessive evaluations of proposed substitutes,
    c. Tests and inspections, or return Hold Point Observations to complete Field Work that were determined to be a failed inspection and,
    d. Work is defective, requires correction or replacement including additional inspection costs.
2. Set-off is only used during the Construction and Post Construction Phases where additional Observation or engineering services are required to correct failed Work.

C1.05 Estimated Fee:

A. The SHR Method of Rate Calculation is an estimate. The SHR Method is prepared based on extensive experience and is intended to be conservative.
    1. Calculating SHR includes, DIXON’s estimate of the amounts that will become payable for specified services are only estimates for planning purposes, are not binding on the parties, and are not the minimum or maximum amounts payable to DIXON under the agreement.
    2. When estimated compensation amounts have been stated herein and it subsequently becomes apparent to DIXON that the total compensation amount thus estimated will be exceeded, DIXON shall give Owner notice thereof, allowing Owner to consider its options, including suspension or termination of DIXON's services for Owner's Convenience. Upon notice, Owner and DIXON promptly shall review the matter of services remaining to be performed and compensation for such services. Owner shall either exercise its right to suspend or terminate DIXON's services for Owner's convenience, agree to such compensation exceeding said estimated amount, or agree to a reduction in the remaining services to be rendered by DIXON, so that total compensation for such services will not exceed said estimated amount when such services are completed. If Owner decides not to suspend DIXON's services during the negotiations and DIXON exceeds the estimated amount before Owner and DIXON have agreed to an increase in the compensation due DIXON or a reduction in the remaining services, then DIXON shall be paid for all services rendered hereunder.
    3. The requirements of minimum work hours and weeks shall remain in effect through negotiations and the minimum requirements of these paragraphs are not negotiable. An RPR is a professional, and if he remains on Site, he is guaranteed the minimum number of hours. Negotiations may Full Time or Daily RPR to Hold Point Observation Services or reduce the number of Daily Inspections. Then minimum hour requirements apply only to demobilization if RPR was Full Time.

C1.06 DIXON’s Reimbursable Expenses Schedule and Standard Hourly and Overtime Rates:

A. Attached to this Exhibit C is Attachment C-2, Standard Hourly Rate and Reimbursable Expense Schedule

B. Annual Cost Adjustment – January 1 each year.
    1. The Standard Hourly Rates and Reimbursable Expenses Schedule will be adjusted annually as of the first January 1 date past expiration date printed on Attachment C-2 to reflect equitable changes in the compensation payable to DIXON. Proposals sent after August 1st will have Attachment C-2 with effective rates through December 31 of the subsequent year.

2. Unit Price for Hold Point observations and Lump Sum items shall be increased at the same time as hourly rate by the same percentage increase as Standard Hourly Rates.
3. Notification of these cost adjustments, or the issuance of an Addendum or Change Order are not required, but DIXON shall endeavor to so advise. Failure to supply notification does not waive the right to implement rate increases.

PART 2 INVOICING AND PAYMENT for Services in EXHIBIT A per EXHIBIT C-1:

A. Preparation and Submittal of Invoices: DIXON will prepare invoices in accordance with its standard invoicing practices and the terms of this Exhibit C and Attachments C-1 and C-2. DIXON will submit its invoices to Owner monthly. Invoices are due and payable within 30 days of receipt. Small monthly invoices may be held by DIXON only, for a month or more and combined.
B. Application to Interest and Principal: Payment will be credited first to any interest owed to DIXON and then to principal.
C. Failure to Pay: If Owner fails to make any payment due DIXON for services and expenses within 30 days after receipt of DIXON's invoice, then:
    1. Amounts due DIXON will be increased at the rate of 1.0% per month (or the maximum rate of interest permitted by law, if less) from said 30th day.
D. Disputed Invoices*:* If Owner disputes an invoice, either as to amount or entitlement, then Owner shall promptly advise DIXON in writing of the specific basis for doing so, may withhold only that portion so disputed, and must pay the undisputed portion.
E. Sales or Use Taxes: If after the Effective Date any governmental entity takes an action that imposes additional sales or use taxes on DIXON's services or compensation, then DIXON may invoice such additional sales or use taxes for reimbursement by the Owner.

PART 3 SELECTION OF RPR SERVICES

C3.00 Selection of Full Time vs. Daily RPR

A. Daily RPR Services: Working from the Base Office and traveling Daily to the Project site.
B. Full Time RPR Services: The RPR stays in lodging near the Project Site because the distance from Base Office makes daily travel exceed daily expenses.

C3.01 Financial Considerations when Selecting RPR Services:

A. Minimum Hourly and Weekly requirements.
    1. Daily RPR Services -8 hours per day plus travel time and mileage.
    2. Full-Time RPR Services:
        a. Minimum workday - 8 hours.
        b. Minimum 40-hour work week except first and last week. If the Contractor is working more than 40 hours then the Observer is also working more than 40 hours, if work being completed rises to the level of reporting.
        c. Rain days or no workdays as determined by Owner or Contractor- minimum billable time is 4 hours, no site time required.

SUMMARY OF DIXON'S COMPENSATION FEES SCHEDULE of VALUES

1. The total compensation for services under this Agreement is the estimated total compensation amount of **Fourteen Thousand Dollars, $14,000** and summarized as follows:

Schedule of Values				
Description of Services	# of Units	Unit Price	Amount	Basis of Compensation
A1.01-RFQ Technical Specifications			$6,600	Lump Sum
A1.02-RPR Services Weld	2	$1,850	$3,700	Unit Price
A1.02-RPR Critical Phase Coating	2	$1,850	$3,700	Unit Price
Total			$14,000	

2. In the event of a conflict with the number in the Total and the written amount in 1 above or with the number on the Signature Page, the first governance shall be a review of math in this schedule of values.
3. DIXON may alter the distribution of compensation consistent with services actually rendered between individual phases of Basic and RPR Service with unused fees calculated by any method. Reallocation of fees shall not result in a total fee in excess of the total compensation amount unless approved by the Owner.

STANDARD HOURLY RATE AND REIMBURSABLE EXPENSE SCHEDULE

Labor Class	Per Hour	Overtime Rate
Principal	$400.00	
Officer/Associate	$200.00	
Project Manager	$187.00	$281.00
Engineer	$193.00	$290.00
CWI Welding RPR	$187.00-$206.00	$281.00-$308.00
DIXON Level 3 or NACE Certified Level 3 RPR	$130.00-$171.00	$195.00-$256.00
DIXON Level 2 or NACE Level 2 RPR	$118.00-$149.00	$176.00-$223.00
DIXON Level 1 or NACE Level 1 RPR	$106.00-$129.00	$158.00-$193.00
Contract Support Staff	$135.00-$165.00	$204.00-$248.00

Expenses	Metropolitan	Out-State
Mileage	$0.80/mile + tolls	$0.70/mile
Lodging	$158.00 per diem	$148.00 per diem
Meals	$62.00 per diem	$57.00 per diem

FEES EFFECTIVE THROUGH: December 31, 2024 **(Revised: 9/8/2022)**

ELECTRONIC DOCUMENTS PROTOCOL (EDP)

With so many personnel and parties involved in Construction, it is essential, especially through the Construction Phase, that all means of EDP, and communication be kept as simple and uniform as possible. Following is a consolidated Protocol prepared by EJCDC which DIXON will complete if contracted to follow. Otherwise, DIXON will open a line of communication as directed by email and when that contact has responded then by simple email, using the agreed addresses will be followed. This excludes Notice and Contract requirements of a contact Person (page One).

ARTICLE 1—ELECTRONIC DOCUMENTS PROTOCOL (EDP)

The Main Agreement is supplemented by the following consolidated Exhibit E and Exhibit E-Attachment 1: Software Requirements for Electronic Document Exchange:

E1.01 Electronic Documents Protocol

A. Electronic Transmittals: The parties shall conform to the following provisions together referred to as the Electronic Documents Protocol ("EDP" or "Protocol") for exchange of electronic transmittals.

1. Basic Requirements
    a. To the fullest extent practical, the parties agree to and will transmit and accept Electronic Documents by Electronic Means using the procedures described in this Protocol. Use of the Electronic Documents and any information contained therein is subject to the requirements of this Protocol and other provisions of the Agreement.
    b. The contents of the information in any Electronic Document will be the responsibility of the transmitting party.
    c. Electronic Documents as exchanged by this Protocol may be used in the same manner as the printed versions of the same documents that are exchanged using non-electronic format and methods, subject to the same governing requirements, limitations, and restrictions, set forth in the Agreement.
    d. Except as otherwise explicitly stated herein, the terms of this Protocol will be incorporated into any other agreement or subcontract between the Owner and DIXON and any third party for the Project. Nothing herein will modify the requirements of the Agreement and applicable Construction Contract Documents regarding communications.
    e. When transmitting Electronic Documents, the transmitting Party makes no representations as to long term compatibility, usability, or readability of the items resulting from the receiving Party's use of software application packages, operating systems, or computer hardware differing from those established in this Protocol.
2. System Infrastructure for Electronic Document Exchange
    a. Each party will provide hardware, operating system(s) software, internet, e-mail, and large file transfer functions ("System Infrastructure") at its own cost and sufficient for complying with the EDP requirements. Except for minimum standards set forth in this EDP and any explicit system requirements specified by attachment to this EDP, it will be the obligation of each party to determine, for itself, its own System Infrastructure.
    b. Each party is responsible for its own system operations, security, back-up, archiving, audits, printing resources, and other Information Technology ("IT") for maintaining operations of its System Infrastructure during the Project.
    c. Each party will operate and maintain industry-standard, industry-accepted, ISO-standard, commercial-grade security software and systems that are intended to protect the other party from: software viruses and other malicious software like worms, trojans, adware; data breaches; loss of confidentiality; and other threats in the transmission to or storage of information from the other parties, including transmission of Electronic Documents by physical media such as CD/DVD/flash drive/hard drive. To the extent that a party

maintains and operates such security software and systems, it will not be liable to the other party for any breach of system security.

d. In the case of disputes, conflicts, or modifications to the EDP required to address issues affecting System Infrastructure, the parties will cooperatively resolve the issues; but, failing resolution, the Owner is authorized to make and require reasonable and necessary changes to the EDP to effectuate its original intent.
e. Each party is responsible for its own back-up and archive of documents sent and received during the term of any Project contract/agreement under this EDP. Further, each party remains solely responsible for its own post-Project back-up and archive of project documents, as each party deems necessary for its own purposes, after the term of the contract.
f. If a receiving party receives an obviously corrupted, damaged, or unreadable Electronic Document, the receiving party will advise the sending party of the incomplete transmission.
g. The parties will bring any non-conforming Electronic Documents into compliance with the EDP.
h. If the Owner operates a Project information management system (also referred to in this EDP as "Project Website") for use of Owner, DIXON, Contractors, during the Project for exchange and storage of Project-related communications and information, then that provision and requirements shall be identified in an Exhibit J - Amendment.

B. Software Requirements for Electronic Document Exchange; Limitations
   1. Each party will acquire the software necessary to create and transmit and read Electronic Documents received from the other party (and if relevant from third parties).
   2. Software and data formats for exchange of Electronic Documents will conform to the requirements set forth in the following Attachment 1 to this EDP, including software version, if listed.

SOFTWARE REQUIREMENTS FOR ELECTRONIC DOCUMENT EXCHANGE

Item	Electronic Documents	Transmittal Means	Data Format	Note (1)
a.1	General communications, transmittal covers, meeting notices, and responses to general information requests for which there is no specific prescribed form.	Email	EML	
a.2	Meeting agendas; meeting minutes; RFI's and Responses to RFI's; and Construction Contract administrative forms.	Email w/ Attach	PDF	(2)
a.3	Contractor's Submittals (Shop Drawings, "Or Equal" requests, Substitute requests, documentation accompanying Sample submittals and other Submittals) to Owner and DIXON; and Owner's and DIXON's Responses to Contractor's Submittals, Shop Drawings, Correspondence, and Applications for Payment	Email w/ Attach	PDF	
a.4	Correspondence; Interim and Final Versions of reports, layouts, Specifications, Drawings, maps, calculations and spreadsheets, Construction Contract, Bidding/Proposal Documents, and Front-End Construction Contract Documents.	Email w/ Attach or LFE	PDF	(3)
a.5	Layouts, plans, maps, and Drawings to be submitted to Owner by DIXON for future use and modification	Email w/ Attach or LFE	DWG	
a.6	Correspondence, reports, and specifications to be submitted by DIXON to Owner for future word processing use and modification	Email w/ Attach or LFE	DOCX	
a.7	Spreadsheets and data to be submitted to Owner by DIXON for future data processing use and modification DIXON can PDF any Spreadsheet.	Email w/ Attach or LFE	XLSX	
Notes				
(1)	All exchanges and uses of transmitted data are subject to the appropriate provisions of the Agreement and Construction Contract.			
(2)	Transmittal of written notices is governed by requirements of the Agreement and Construction Contract.			
(3)	Transmittal of Bidding/Proposal Documents and Front-End Construction Contract Documents will be in manner selected by Owner in Exhibit A, Paragraph 1.05.A.1.a. Unless otherwise expressly stated, these documents and the Construction Contract will be transmitted in PDF format, including transmittals to bidders and Contractor.			
Key				
EML	Standard Email formats (.eml). Do not use stationery formatting or other features that impair legibility of content on screen or in printed copies.			
LFE	Agreed upon Large File Exchange method (FTP, CD, DVD, Flash Drive, File Sharing Services.)			
PDF	Portable Document Format readable by Adobe® Acrobat Reader.			
DWG	Autodesk® AutoCAD. dwg format.			
DOCX	Microsoft® Word. docx format.			
DB	Microsoft® Access .mdb DIXON does not transmit Database material If required for your future use you will have the program.			

GENERAL PROVISIONS AND RELATED CONDITIONS FROM AGREEMENT OR EXHIBITS

GP1.00 Time for Completion:

A. The Effective Date of the Task Order and the times for completing services will be stated in each Task Order.

B. If there is a change in the Scope of Services, or in Scope of Project, if Projects are delayed or suspended through no fault of DIXON, if the orderly and continuous progress of DIXON's services is impaired, if the agreed periods of time or dates are changed, if construction contract dates are extended, then the time for completion of DIXON's services, and the rates and amounts of DIXON's compensation, shall be adjusted equitably. Delay of Projects by Owner or Contractor until the next season (past the expiration date of Exhibit C-Attachment 2), is considered a Change in Scope of Services and the rates and amounts of DIXON's compensation shall be adjusted equitably in accordance with the succeeding year's Exhibit C Attachment 1 and 2.

C. Owner shall give prompt written notice to DIXON whenever Owner observes or otherwise becomes aware of any development that affects the scope or time of performance of DIXON's services; the presence at the Site of any Constituents of Concern; or any relevant, material defect or nonconformance in: (a) DIXON's services, (b) the Work, (c) the performance of any Contractor, or (d) Owner's performance of its responsibilities under this Agreement.

D. The Owner shall make decisions and carry out its other responsibilities in a timely manner so as not to delay DIXON's performance of its services.

E. If DIXON fails, through its own fault (for reasons within their control), to complete the performance required in this Agreement within the time set forth, as duly adjusted, then Owner shall be entitled, as its sole remedy, to the recovery of direct damages, if any, resulting from such failure.

GP1.01 Opinions of Probable Construction Cost:

A. DIXON's opinions (if any) of probable Construction Cost are to be made on the basis of DIXON's experience, qualifications, and general familiarity with the construction industry. However, because DIXON has no control over the cost of labor, materials, equipment, or services furnished by others, or over contractors' methods of determining prices, or over competitive Bidding or market conditions, DIXON cannot and does not guarantee that proposals, Bids, or actual Construction Cost will not vary from opinions of probable Construction Cost prepared by DIXON in Evaluation Reports or verbally by DIXON.

GP1.02 Standards of Performance and Limitations of Authority of DIXON with Owner and Owner's Contractor:

A. Standard of Care: The Standard of Care for all services performed or furnished by DIXON under this Agreement will be the care and skill ordinarily used by members of this subject profession practicing under similar circumstances at the same time and in the same locality.

B. Conflict of Interest: Nothing in this Agreement will be construed to create or impose any duty on the part of DIXON that would conflict with DIXON's paramount obligations to the public health, safety, and welfare under the professional practice requirements governing DIXON, its Subconsultants or, and all licensed professionals employed by DIXON or its Subconsultants. If during the term of this Agreement a potential or actual conflict of interest arises or is identified.

   1. DIXON and Owner together will make reasonable, good faith efforts to avoid or eliminate the conflict of interest; to mitigate any adverse consequences of the conflict of interest; and, if necessary and feasible, to modify this Agreement to address the conflict of interest and its consequences, such that progress under the Agreement may continue.

2. Such efforts will be governed by applicable Laws and Regulations and by any pertinent Owner's policies, procedures, and requirements (including any conflict-of-interest resolution methodologies) provided DIXON under this Agreement.

C. Technical accuracy: Owner shall not be responsible for discovering deficiencies in the technical accuracy of DIXON's services. If deficiencies are discovered by DIXON/Owner/or Bidder; DIXON shall correct deficiencies in technical accuracy without additional compensation unless such corrective action is directly attributable to deficiencies in Owner-furnished information.

D. Reliance on Others: Subject to the Standard of Care set forth above in Paragraph GP1.02. A, DIXON, and its Consultants may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to, specialty contractors, manufacturers, suppliers and their publishers, or technical standards.

E. DIXON will make visits to the Site at intervals appropriate to the various stages of construction as DIXON deems necessary to observe, as an experienced and qualified design professional, the progress that has been made and the quality of the various aspects of Contractor's executed Work. Based on information obtained during such visits and observations, DIXON, for the benefit of Owner, will determine, in general, if the Work is proceeding in accordance with the Contract Documents.

F. DIXON shall not at any time supervise, direct, control, or have authority over any Constructor's work, nor shall DIXON have authority over or be responsible:
   1. for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor or
   2. the safety precautions and programs incident thereto,
   3. or security or safety at the Project site, nor
   4. for any failure of a Constructor's furnishing and performing of its work.
   5. DIXON shall not be responsible for the acts or omissions of any Constructor or
   6. for Constructor's compliance with Laws and Regulations.

G. DIXON makes no warranties, express or implied, under this Agreement or otherwise, in connection with any services, nor assumes responsibilities for Contractor's failure to furnish material and provide the Work in accordance with Owner/Contractor Agreement.

H. DIXON shall not be responsible for any decisions made regarding the construction Agreement requirements, or any application, interpretation, clarification, or modification of the construction Agreement documents other than those made by DIXON or its consultants.

I. DIXON's Services and Additional Services do not include: (1) serving as a "municipal advisor" for purposes of the registration requirements of the Section 975 of the Dodd-Frank Wall Street Reform and the Consumer Protection Act (2010) or the municipal advisor registration rules issued by the Securities and Exchange Commission; (2) advising Owner, or any municipal entity or other person or entity regarding municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, or other similar matters concerning such products or issuances; (3) providing surety bonding or insurance-related advice, recommendations, counseling, or research, or enforcement of construction insurance or surety bonding requirements, or (4) providing legal advice or representation.

J. DIXON shall not be required to sign any document, no matter by whom requested, that would result in DIXON having to certify, guarantee, or warrant conditions whose existence DIXON cannot ascertain within the authorized scope of DIXON's services. The Owner agrees not to make resolution of any dispute with DIXON or payment of any amount due to DIXON in any way contingent upon DIXON signing any such document.

K. DIXON will obtain Owner's consent, which will not be unreasonably withheld, prior to releasing any publicity, including news and press releases, promotional publications, award and prize competition submittals, and other advertising regarding the subject matter of this Agreement. Nothing herein will limit DIXON's right to include information in statements of qualifications and proposals to others accurately describing its participation and participation of employees in the Project.

GP1.03 Use of Documents:

A. All Documents are instruments of service, and DIXON shall retain an ownership and property interest therein (including the copyright and the right of reuse at the discretion of DIXON) whether the Project is completed or not. NOTE: A delayed project may require revisions of the Bid Documents.
   1. Owner may make and retain copies of Documents for information and reference in connection with the use of the Documents on the Specific Project.
   2. DIXON grants Owner a limited license to use the Documents on the Specific Project.
   3. Owner shall not use, reuse, or modify the Documents without written verification, completion, or adaptation by DIXON. If Owner reuses or modifies documents without authorization, Owner shall indemnify and defend DIXON from any liabilities that result from the reuse.
   4. The limited license to the Owner shall not create any rights in third parties.

GP1.04 Records Retention:

A. DIXON shall maintain on file in digital format, for a period of five years following completion or termination of its services under a specific Task Order, or such other period as required by Laws and Regulations, all Documents, records (including cost records), and design calculations related to DIXON's services or pertinent to DIXON's performance under the Task Order. Upon Owner's request, DIXON shall provide a copy of any such item to Owner at cost.

GP1.05 Suspension and Termination:

A. Suspension:
   1. By Owner: Owner may suspend the Project for up to 90 days upon seven days written notice to DIXON.
   2. By DIXON: DIXON may, after giving seven days written notice to Owner, suspend services under this Agreement if Owner has failed to pay DIXON for invoiced services and expenses, or in response to the presence of Constituents of Concern at the Site.
   3. If persistent circumstances beyond the control of DIXON have prevented it from performing its obligations under the Task Order.
   4. A suspension under a specific Task Order, whether by Owner or DIXON, does not affect the duty of the two parties to proceed with their obligations under other Task Orders.

B. Termination for Cause – Main Agreement: The obligation to provide further services under this Agreement may be terminated.
   1. For cause, by either party upon 30 days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.
   2. By DIXON:
      a. Upon seven days written notice if Owner demands that DIXON furnish or perform services contrary to DIXON's responsibilities as a licensed professional; or if services for the Project are delayed or suspended for more than 90 days for reasons beyond DIXON's control, or as the result of the presence at the Site of undisclosed Constituents of Concern.
      b. DIXON shall have no liability to the Owner on account of either such termination. This Agreement will not terminate; however, if the party receiving such notice begins, within seven days of receipt of such notice, to correct its substantial failure to perform and proceeds diligently to cure such failure within no more than 30 days of receipt thereof.
   3. For convenience, by Owner effective upon DIXON's receipt of notice from Owner.

C. Termination for Cause – Task Order:
   1. Either party may terminate a Task Order for cause upon 30 days written notice in the event of substantial failure by the other party to perform in accordance with the terms of this Agreement and the specific Task Order, through no fault of the terminating party.
      a. Notwithstanding the foregoing, the Task Order will not terminate under Paragraph GP1.05.B.1 if the party receiving such notice begins, within 7 days of receipt of such

notice, to correct its substantial failure to perform and proceeds diligently to cure such failure within no more than 30 days of receipt thereof; provided, however, that if and to the extent such substantial failure cannot be reasonably cured within such 30 day period, and if such party has diligently attempted to cure the same and thereafter continues diligently to cure the same, then the cure period provided for herein will extend up to, but in no case more than, 60 days after the date of receipt of the notice.

2. In addition to its termination rights in Paragraph GP1.05. B.1, DIXON may terminate a Task Order for cause upon 7 days' written notice:
   a. If Owner demands that DIXON furnish or perform services contrary to DIXON's responsibilities as a licensed professional.
   b. If DIXON's services under the Task Order are delayed or suspended for more than 90 days for reasons beyond DIXON's control: or
   c. As the result of the presence at or adjacent to the Site of undisclosed Constituents of Concern.
3. DIXON will have no liability to the Owner on account of any termination by DIXON for cause.

D. Effective Date of Termination: If Owner terminates the Main Agreement for cause or convenience, Owner may set the effective date of termination at a time up to 30 days later than otherwise provided to allow DIXON to demobilize personnel and equipment from the Site to complete tasks whose value would otherwise be lost, to prepare notes as to the status of completed and uncompleted tasks, and to assemble project materials in orderly files. DIXON shall be entitled to compensation for such tasks.

E. Payments Upon Termination:
1. In the event of termination by Owner or by DIXON for cause, DIXON shall be entitled to invoice Owner and receive payment of a reasonable amount for services and expenses directly attributable to termination, both before and after the effective date of termination, such as reassignment of personnel, and other related close-out costs, using methods and rates for Additional Services as set forth in Exhibit C.
2. The scheduled time between Contract Award and the physical start of Construction, or if Construction is postponed for the off season (winter), shall not be considered a "suspension."

GP1.06 Controlling Law and Compliance with Laws and Regulations:

A. DIXON shall comply with all instructions of Owner, and all requirements of Contractor's or Owner's safety program that are applicable to DIXON's performance of services under this Agreement and that Owner provides to DIXON in writing, prior to the Effective Date; subject to the Standard of Care set forth in Paragraph GP1.02. A above, and to the extent compliance is not inconsistent with professional practice requirements.

B. The following may be the basis for modifications to Owner's responsibilities or to DIXON's scope of services, times of performance, or compensation:
1. Changes after the Effective Date to Laws and Regulations.
2. The receipt by DIXON; of changes after the Effective Date, of Owner-provided written policies and procedures.

C. The General Conditions for any construction contract documents prepared hereunder are to be EJCDC C-700 "Standard General Conditions of the Construction Contract" prepared by the Engineer's Joint Contract Documents Committee, and as modified by DIXON unless expressly indicated otherwise. If Owner supplied General Conditions are used, then DIXON supplied Additions shall also be used to the extent they do not conflict with Owner's.

GP1.07 Dispute Resolution:

A. The Owner and DIXON agree to negotiate all disputes between them in good faith for a period of 30 days from the date of notice prior to invoking nonbinding mediation or exercising their rights at law.

B. If negotiations fail then Owner and DIXON shall proceed to nonbinding mediation before a panel of three, one panel member selected by each party, and one mutually agreeable person. The only requirements are that neither party has any financial or relational control over any panel member. DIXON will select, based on expertise in dispute. (DIXON pays fees for their panel member, Owner pays fees of their member, and third member's fees are to be paid as directed by the panel, even though the panel's final dispute resolution is not accepted).
C. After one trial mediation, unless an additional attempt is accepted by both parties either party may exercise their rights at law.

GP1.08 Environmental Condition of Site:

A. Owner represents to DIXON that as of the Effective Date to the best of Owner's knowledge, there are no Constituents of Concern, other than those disclosed in writing to DIXON, exist at or adjacent to the Site.
B. Undisclosed Constituents of Concern. For purposes of this Paragraph GP1.08 the presence at or adjacent to the Site of Constituents of Concern that was not disclosed to DIXON pursuant to Paragraph GP1.08. A, in such quantities or circumstances that such Constituents of Concern may present a danger to persons or property exposed to them, will be referred to as "undisclosed" Constituents of Concern.
   1. The presence at the Site of materials that are necessary for the execution of the Work, or that are to be incorporated in the Work, and that are controlled and contained pursuant to industry practices, Laws and Regulations, and the requirements of this Agreement or the Construction Contract, are not undisclosed Constituents of Concern.
   2. Constituents of Concern that are to be located, identified, studied, removed, or remediated as part of the services under a Task Order are not undisclosed Constituents of Concern.
   3. Constituents of Concern that are to be located, identified, studied, removed, or remediated as part of the services under another professional services contract for Owner, or as part of the work under a construction or remediation contract, are not undisclosed Constituents of Concern if DIXON has been informed of the general scope of such contract.
   4. Constituents of Concern in the Coating Industry – DIXON and Owner acknowledge that the coating industry may generate hazardous waste or Constituents of Concern (C of C) when removing old coatings, C of C may be existing in soils from coating removal in the past, and some gasket materials contained asbestos. Old coatings may contain heavy metals such as lead, chrome, and cadmium. Hazardous solvents may be present in new coatings, thinners, or used in the cleaning of equipment. These materials may be C of C but are considered Disclosed C of C.
C. If DIXON Encounters or learns of an undisclosed Constituents of Concern at the Site, then DIXON shall notify Owner. State and Federal notifications, if required, are the responsibility of the Owner.
D. Owner acknowledges that DIXON is performing professional services for Owner and that DIXON is not and shall not be required to become an "owner," "arranger," "operator," "generator," or "transporter" of hazardous substances, as determined in the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended, which are or may be encountered at or near the Site in connection with DIXON's activities under this Agreement.

INSURANCE REQUIREMENTS AND LIABILITY CONCERNS

The Agreement is supplemented to include the following agreement of the parties:

IR1.00 Insurance:

A. The limits of liability for the insurance required on this project are as follows:

B. By DIXON:

1. Workers' Compensation:	Statutory
2. Employer's Liability:	
a) Bodily injury, each accident	$1,000,000
b) Bodily injury by disease, each employee	$1,000,000
c) Bodily injury/disease, aggregate	$1,000,000
3. General Liability:	
a. Each Occurrence (Bodily Injury and Property Damage)	$1,000,000
b. General Aggregate	$2,000,000
4. Excess or Umbrella Liability:	
a. Per Occurrence	$5,000,000
b. General Aggregate	$5,000,000
5. Automobile Liability:	
a. Combined Single Limit (Bodily Injury and Property Damage):	$1,000,000
6. Professional Liability:	
a. Each Claim Made	$2,000,000
b. Annual Aggregate	$2,000,000

C. Additional Insured's: The following individuals or entities are to be listed on DIXON's general liability policies of insurance as additional insured's: Owner and other parties requested by Owner Electronic Data Transmittal Protocol within reason.

D. Owner shall require Contractor to purchase and maintain policies of insurance covering workers' compensation, general liability, motor vehicle damage and injuries, and other insurance necessary to protect Owner's and DIXON's interests in the Project. Owner shall also require Contractor to cause DIXON and its Consultants to be listed as additional insureds with respect to such liability insurance purchased and maintained by Contractor for the Project.

E. DIXON shall deliver to the Owner certificates of insurance evidencing the coverages. Such certificates shall be furnished prior to commencement of DIXON's services and at renewals thereafter during the life of the Agreement.

F. All policies of property insurance relating to the Project, including but not limited to any builder's risk policy, shall allow for waiver of subrogation rights, and contain provisions to the effect that in the event of payment of any loss or damage the insurers will have no rights of recovery against any insured thereunder or against DIXON or its Consultants. Owner and DIXON waive all rights against each other, Contractor, the Consultants, and the respective officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, for all losses and damages caused by, arising out of, or resulting from any of the perils or causes of loss covered by any builder's risk policy and any other property insurance relating to the Project. The Owner shall take appropriate measures in other Project-related contracts to secure waivers of rights.

G. All policies of insurance shall contain a provision or endorsement that the coverage afforded will not be canceled or reduced in limits by endorsement, and that renewal will not be refused, until at least 10 days prior written notice has been given to the primary insured. Upon receipt of such notice, the receiving party shall promptly forward a copy of the notice to the other party to this Agreement.

H. At any time, Owner may request that DIXON or its Consultants, at Owner's sole expense, provide additional insurance coverage, increased limits, or revised deductibles that are more protective than those specified in Exhibit IR. If so, requested by Owner, and if commercially available, DIXON shall obtain and shall require its Consultants to obtain such additional insurance coverage, different limits, or revised deductibles for such periods of time as requested by Owner, and Exhibit IR will be supplemented to incorporate this requirement.

I. Definitions:
   1. Owner and Party 1 is Owner and Owner's officers, directors, membership, partners, agents, employees, consultants, or others retained by or under contract to the Owner with respect to this Agreement or to the Project.
   2. DIXON and Party 2 is DIXON and/or DIXON's officers, directors, members, partners, agents, employees, consultants, subcontractors, or others under contract to DIXON relative to this Project or Agreement.

IR1.01 Limitation of Liability:

A. DIXON's Liability Limited to Amount of Insurance Proceeds: DIXON shall procure and maintain insurance as required by and set forth in Exhibit IR to this Agreement. Notwithstanding any other provision of this Agreement, and to the fullest extent permitted by Laws and Regulations, the total liability, in the aggregate, of DIXON and Party 2 to Owner and anyone claiming by, though, or under Owner shall not exceed the total insurance proceeds paid on behalf of or to DIXON by DIXON's insurers in settlement or satisfaction of Owner's Claims under the terms and conditions of DIXON's insurance policies applicable thereto (excluding fees, costs and expenses of investigation, claims adjustment, defense, and appeal), up to the amount of insurance required under this Agreement

IR1.02 Exclusion of Special, Incidental, Indirect, and Consequential Damages:

A. To the fullest extent permitted by Laws and Regulations, and notwithstanding any other provision in the Agreement. DIXON and Party 2 shall not be liable for special, incidental, indirect, or consequential damages arising out of, or related to this Agreement or the Project, from any cause or causes, including but not limited to: damage to water supply or reduction in fire protection.

IR1.03 Percentage Share of Negligence:

A. To the fullest extent permitted by Laws and Regulations, a party's total liability to the other party and anyone claiming under the other party for damages caused in part by the negligence of the party and in part by the negligence of the other party or any other negligent entity or individual, shall not exceed the percentage share that the party's negligence bears to the total negligence of Owner, DIXON, and all other negligent entities and individuals.

Charlevoix City Council

Public Hearings and Actions Requiring Public Hearings

Title: Set Public Hearing: Pinebridge Place PILOT & Development Agreement
Date: June 17, 2024

Presented By: Mark Heydlauff, City Manager
Jane MacKenzie

Background:
1522 Bridge Street is a parcel the city acquired more than 20 years ago during the reorientation of the intersection of Marion Center, US 31, and M-66. It is vacant and across US 31 from the entrance to the airport adjacent to the former motel now used for housing by Bay Harbor.

As outlined in the attachment, Jane MacKenzie of Northern Homes Community Development Corporation has obtained $600,000 from the Michigan State Housing Development Authority to cover part of the cost of a 6-unit development on this site. Housing would be restricted to those earning up to 120% of the area median income.

Attached for the City Council's consideration and introduction is a Workforce Housing PILOT Ordinance for Northern Homes Community Development Corporation (NHCDC). This ordinance is based on a model ordinance from the Michigan State Housing Development Authority (MSHDA) and NHCDC. It contains the necessary provisions to implement the newly amended law under the Michigan State Housing Development Authority Act (Act 346 of 1966) that allows the City to approve PILOT projects without the requirement that they are awarded MSHDA funding.

To accomplish this development, Northern Homes seeks the sale of the property to them for $1 and the adoption of a Payment in Lieu of Tax Ordinance to aid in the affordability of the project for tenants. Even with the PILOT, the property would become a net revenue generator for the City since we currently receive no tax revenue and utility revenue. We also pay to maintain it. The PILOT is projected to generate about $3,000 upon inception.We currently have three other PILOTs for housing: Lake Harbor Apartments on Petoskey Avenue; LeDay on May Street; and, Charlevoix Housing Commission on Garfield Street.

I would propose Council adopt a PILOT ordinance for the project (a draft is included) and that we adopt a purchase agreement to sell the parcel on July 15. I'll ask the City Attorney to draft an appropriate purchase agreement.

Once the agreement is finalized, the project will also go through the normal site plan review process with the Planning Commission but you will find current conceptual designs for the project included in the attachments.

Recommendation:
Motion to set a public hearing for July 15, 2024 in the Council Chamber of City Hall to consider Ordinance 851, a Payment in Lieu of Tax Ordinance for Pinebridge Place Nonprofit Housing Corporation.

Attachments:

1. City Council Letter and plans
2. 851 of 2024 PILOT 1522 Bridge Street

NORTHERN HOMES
COMMUNITY DEVELOPMENT CORPORATION

1048 E Main Street, PO Box 86, Boyne City, MI. 49712 (231)582-6244

June 6, 2024

Mayor Gennett and Council Members
210 State Street
Charlevoix MI, 49720

RE: Pinebridge Place Townhomes at 1522 Bridge Street, Charlevoix.

Dear Mayor Gennett and Council Members,

Northern Homes Community Development Corporation is proposing to build a 6 unit apartment complex at 1522 Bridge Street. We are requesting the Charlevoix City Council approve the sale of the City owned property and a Payment In Lieu of Taxes (PILOT) Ordinance.

Background Information:

Pinebridge Place Townhomes

The proposed project has two buildings with three units in each building, a total of 6 units. When we designed the layout of this project, and the exterior of the buildings, we took into consideration the location of the property along one of the main highway entrances into Charlevoix. The triplex buildings have a cottage appearance with front porches facing Marion Center Road and Bridge Street. The parking lot is hidden from view behind the buildings.

Each unit has two bedrooms and two full bathrooms. One of the bathrooms is fully handicap accessible. The apartments are designed to be attractive to families, roommates, senior citizens and disabled households. Each unit will have their own washer and dryer. Each unit will also have their own exterior storage room for additional storage space.

The site plan has been reviewed by City staff. We will submit for Planning Commission review after receiving approval of our requests for the purchase of the property and the PILOT.

SHRP Grant from MSHDA

In 2022 the Michigan State Housing Development Authority (MSHDA) released a funding opportunity called the Small Scale Housing Rental (SHRP) Pilot Program. This was one of MSHDA's few programs that allows owners to rent apartments to households earning up to 120% of the area median income. Northern Homes was aware that the City of Charlevoix was interested in seeing housing developed at 1522 Bridge Street. We submitted an application for this site and we were awarded $600,000 for 6 apartments. Since that time we have been working on developing floorplans and site plans, completing the federal environmental review process and looking for additional sources of funding to close the funding gap.

To meet funding requirements, Northern Homes CDC will create a subsidiary, *Pinebridge Place Nonprofit Housing Corporation*, to own the apartment complex. Northern Homes CDC will manage the project. We currently own and manage 8 apartment projects throughout northern Michigan with a total of 172 units.

Northern Homes Community Development Corporation

Northern Homes is a 501(c)(3), private nonprofit corporation. We were incorporated in 1998 and serve a 6-county area in northern Michigan. Our mission is to create and preserve quality affordable housing opportunities for northern Michigan residents through education, development and partnering with local communities. Our three main programs are single-family development, apartment development and homebuyer education.

Requested Action:

1) Approval of the Sale 1522 Bridge Street

Northern Homes is requesting to purchase the property at 1522 Bridge Street for $1.00.

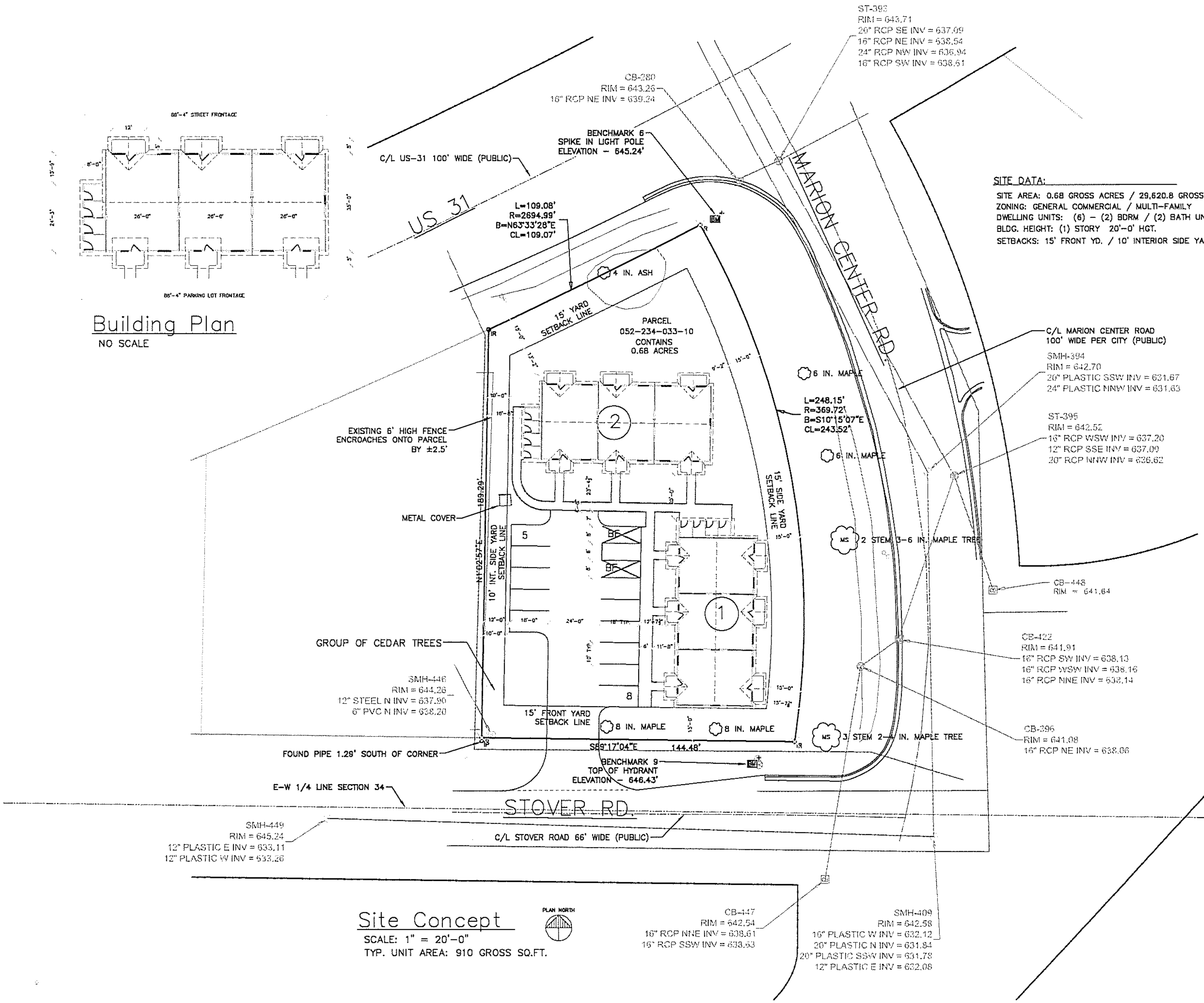
2) Approval of a Payment in Lieu of Taxes (PILOT).

A PILOT is an ordinance adopted by the City that allows the property owner to pay a service fee based on the amount of rent collected. Since the property will be restricted and not able to charge market rate rents and the resident's initial income will also be restricted, the PILOT payments are based on rent collected, not property value. The reduction in taxes allows the project to support a larger mortgage, to help close the funding gap. We are requesting a 30 year PILOT to pay 3% of the rent collected, minus project paid utilities. As City-owned property, it is currently paying no taxes. We estimate our first year PILOT payment will be approximately $3,000.

Thank you for your thoughtful consideration of this project.

Sincerely

Jane MacKenzie
Executive Director
Northern Homes Community Development Corporation



SITE DATA:

SITE AREA: 0.68 GROSS ACRES / 29,620.8 GROSS SQ.FT. SITE AREA
ZONING: GENERAL COMMERCIAL / MULTI-FAMILY
DWELLING UNITS: (6) – (2) BDRM / (2) BATH UNITS
BLDG. HEIGHT: (1) STORY 20'-0" HGT.
SETBACKS: 15' FRONT YD. / 10' INTERIOR SIDE YARD ALL SIDE & REAR YARDS

Progressive
Progressive North L.L.C.
/ Daniel A. Tosch RA

Issued For:
REVIEW
07.24.24

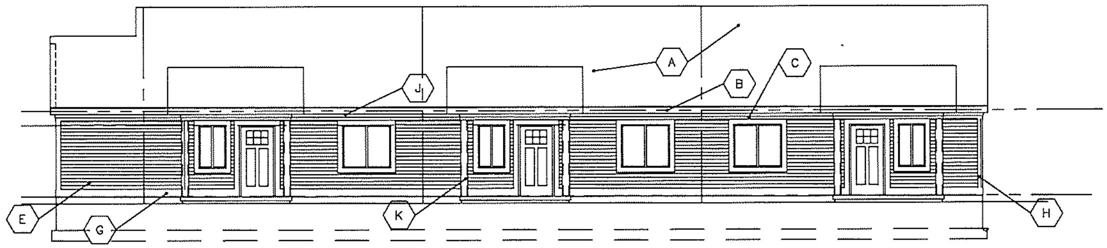
Project:
Pinebridge
Place
Townhomes
CHARLEVOIX, MICHIGAN

Sheet Title:
Site
Plan

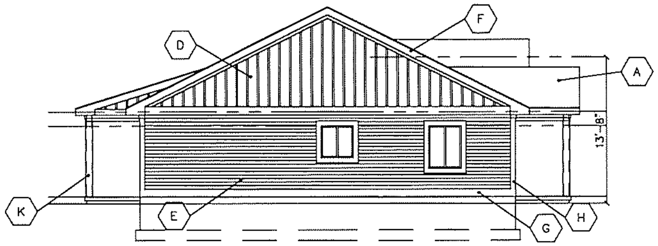
Project Number: 24-105
Sheet Number: SP1

Progressive
Progressive North L.L.C.
/ Daniel A. Tosch RA
P.O. Box 545
Petoskey, MI. 49770
231 487-9290
Email:ciron@charter.net
Web: www.progressivenorth.com

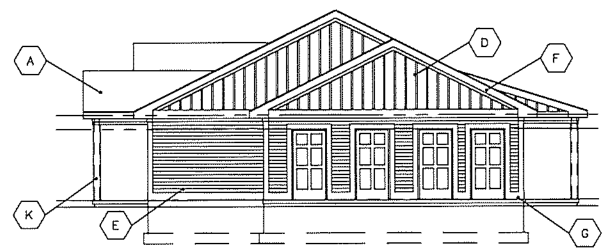
Issued For:
REVIEW
03.24.24
REVISED / REVIEW
04.12.24



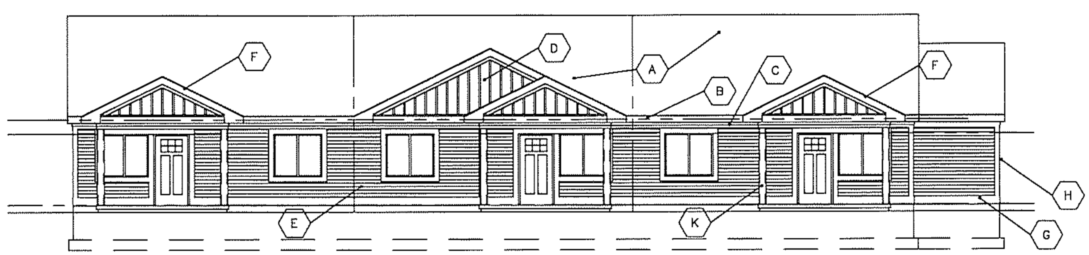
Preliminary Rear / Parking Lot Elevation
SCALE: 3/16" = 1'-0"



Preliminary Left Side Elevation
SCALE: 3/16" = 1'-0"



Preliminary Right Side Elevation
SCALE: 3/16" = 1'-0"



Preliminary Front / Road Elevation
SCALE: 3/16" = 1'-0"

MATERIAL LEGEND

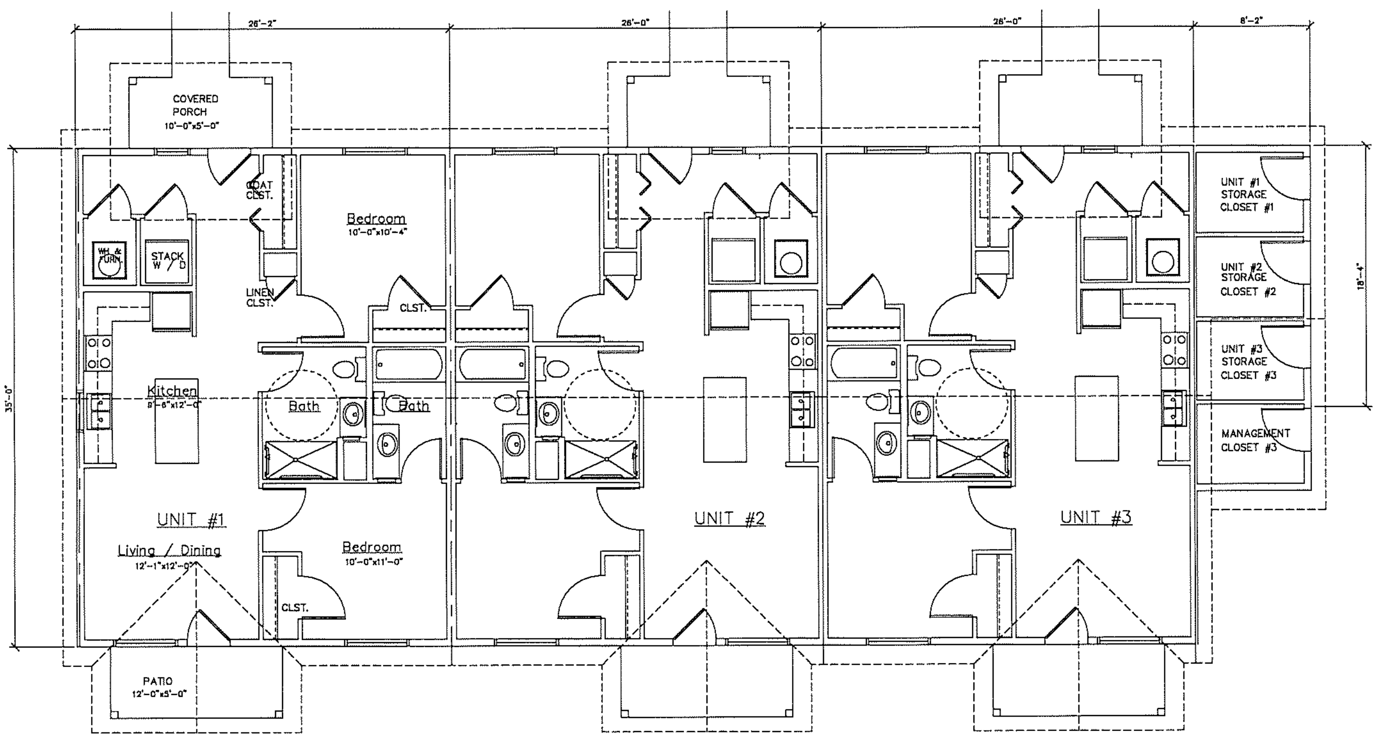
- A ASPHALT SHINGLES
- B MET. DRIP EDGE ON ALUM. CLAD 1x8 FASCIA BD.
- C ALUM. CLAD 1x4 OVER 1x8 FRIEZE BD.
- D VINYL BOARD & BATTEN SIDING
- E VINYL HORIZ. SIDING
- F MET. DRIP EDGE ON ALUM. CLAD 1x8 RAKE BD.
- G ALUM. CLAD 1x10 SKIRT BD.
- H ALUM. CLAD 1x6 TRIM BD.
- J CONT. SOFFIT VENT PROVIDING MIN. 12.5 SQ. IN. FREE AREA PER L.F.
- K 10"x10" BOXED WOOD COLUMN

Developer:
Northern
Homes C.D.C.

Project:
Pinebridge
Place
Townhomes
CHARLEVOIX, MICHIGAN

Sheet Title:
Building
Elevations

Project Number: 24-105
Drawn: CI
Checked: PN
Date: 03.24.24
Sheet Number: A2



TYPICAL (2) BDRM / (2) BATH
UNIT FLOOR PLAN
SCALE: 1/4" = 1'-0"
TYP. UNIT AREA: 910 GROSS SQ.FT.

Progressive
Progressive North L.L.C.
P.O. Box 545
Petoskey, MI. 49770
231 487-9290
Email:ciron@charter.net
Web: www.progressivenorth.com

Issued For:
REVIEW
01.24.24
REVISED / REVIEW
02.22.24
REVISED / REVIEW
04.12.24

Project:
Pinebridge
Place
Townhomes
CHARLEVOIX, MICHIGAN

Sheet Title:
Unit
Floor
Plan

Project Number: 24-105
Drawn: CI
Checked: PN
Date: 01.24.24
Sheet Number: A1

CITY OF CHARLEVOIX
ORDINANCE NO. 851

AN ORDINANCE TO PROVIDE FOR A SERVICE CHARGE IN LIEU OF TAXES FOR A HOUSIGN PROJECT FOR LOW INCOME PERSONS AND FAMILIES TO BE FINANCED WITH A FEDERALLY AIDED MORTGAGE LOAN PURSUANT TO THE PROVISIONS OF THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966 (1966 PA 346, AS AMENDED; MCL 125.1401, ET SEQ) (THE “ACT”).

THE CITY OF CHARLEVOIX ORDAINS:

SECTION 1. This Ordinance shall be known and cited as the “City of Charlevoix Tax Exemption Ordinance-Pinebridge Place Townhomes."

SECTION 2. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its low-income persons and families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Act. The City of Charlevoix (the “City”) is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low-income persons and families is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all ad valorem taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

The City acknowledges that Northern Homes Community Development Corporation and Pinebridge Place Nonprofit Housing Corporation, (the Sponsor) has offered, subject to receipt of an allocation under the SHRP Pilot Program by the Michigan State Housing Development Authority, to construct, own and operate a housing project identified as Pinebridge Place Townhomes on certain property located at 1522 Bridge Street in the City to serve low income persons and families, and that the Sponsor has offered to pay the City on account of this housing project an annual service charge for public services in lieu of all ad valorem property taxes.

SECTION 3. Definitions.

A. Authority means the Michigan State Housing Development Authority.

B. Annual Shelter Rent means the total collections during a calendar year from or

paid on behalf of all occupants of a housing project representing rent or occupancy charges, exclusive of Utilities.

C. SHRP Pilot Program means the MSHDA Small-Scale Housing Rental Pilot program administered by the Authority utilizing the Neighborhood Stabilization Program-Program Income.

D. Low Income Persons and Families means persons and families with incomes less than 120% of the Area Median Income for Charlevoix County, based on family size, as established by the U.S. Department of Housing and Urban Development.

E. Mortgage Loan means a loan that is Federally Aided (as defined in Section 11 of the Act) or a loan or grant made or to be made by the Authority to the Sponsor for the construction, rehabilitation, acquisition and/or permanent financing of a housing project, and secured by a mortgage on the housing project.

F. Sponsor means any entity that receives or assumes a Mortgage Loan.

G. Utilities means charges for gas, electric, water, garbage removal, sanitary sewer and other utilities furnished to the occupants that are paid by the housing project.

SECTION 4. Class of Housing Projects.

It is determined that the class of housing projects to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing projects for Low Income Persons and Families that are financed with a Mortgage Loan. It is further determined that Pinebridge Place Townhomes is of this class.

SECTION 5. Establishment of Annual Service Charge.

The housing project identified as Pinebridge Place Townhomes and the property on which it will be located shall be exempt from all ad valorem property taxes from and after the commencement of construction. The City acknowledges that the Sponsor and the Authority have established the economic feasibility of the housing project in reliance upon the enactment and continuing effect of this Ordinance, and the qualification of the housing project for exemption from all ad valorem property taxes and a payment in lieu of taxes as established in this Ordinance. Therefore, in consideration of the Sponsor's offer to construct and operate the housing project, the City agrees to accept payment of an annual service charge for public services in lieu of all ad valorem property taxes. Subject to receipt of a Mortgage Loan, the annual service charge shall be equal to 3% of the Annual Shelter Rents actually collected by the housing project during each operating year.

SECTION 6. Contractual Effect of Ordinance.

Notwithstanding the provisions of section 15(a)(5) of the Act to the contrary, a contract between the City and the Sponsor with the Authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

SECTION 7. Limitation on the Payment of Annual Service Charge.

Notwithstanding Section 5, the service charge to be paid each year in lieu of taxes for the part of the housing project that is tax exempt, but which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing project if the housing project were not tax exempt.

SECTION 8. Payment of Service Charge.

The annual service charge in lieu of taxes as determined under this Ordinance shall be payable in the same manner as general property taxes are payable to the City and distributed to the several units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year. The annual payment for each operating year shall be paid on or before May 1st of the following year. Collection procedures shall be in accordance with the provisions of the General Property Tax Act (1893 PA 206, as amended; MCL 211.1, et seq).

SECTION 9. Duration.

This Ordinance shall remain in effect and shall not terminate until after the period ending December 31, 2055. The housing project shall remain subject to income and rent restrictions under the SHRP Pilot Program throughout the duration of this ordinance.

SECTION 10. Severability.

The various sections and provisions of this Ordinance shall be deemed to be severable and should any section or provision of this Ordinance be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of this Ordinance as a whole or any section or provision of this Ordinance, other than the section or provision so declared to be unconstitutional or invalid.

SECTION 11. Inconsistent Ordinances.

All ordinances or parts of ordinances inconsistent or in conflict with the provisions of this Ordinance are repealed to the extent of such inconsistency or conflict.

SECTION 12. Severability

No other portion, paragraph or phase of the Code of the City of Charlevoix, Michigan shall be affected by this Ordinance except as to the above sections, and in the event any portion, section or subsection of this Ordinance shall be held invalid for any reason, such invalidation shall not be construed to affect the validity of any other part or portion of this Ordinance or of the Code of the City of Charlevoix, Michigan.

SECTION 13. Effective Date

This Ordinance shall become effective thirty (30) days after its enactment pursuant to the City Charter.

Ordinance No. 851 was adopted on the 15th day of July 2024 A.D., by the Charlevoix City Council as follows:
Motion by seconded by to approve Ordinance Amendment 851 of 2024 as presented.
Yeas:
Nays:
Absent:

State of Michigan } §
City of Charlevoix

Sarah J. Dvoracek Clerk	Lyle Gennett Mayor

Charlevoix City Council

Public Hearings and Actions Requiring Public Hearings

Title: Outdoor Storage Zoning Ordinance Discussion
Date: June 17, 2024

Presented By: Mark Heydlauff, City Manager
Jonathan Scheel, Zoning Administrator

Background:
On June 3, City Council directed City staff to bring back potential solutions for Council and citizen concerns regarding the proposed Outdoor Storage Zoning Ordinance amendments. This is meant to zero-in on the issues at hand with plain language. We can update ordinance language to reflect your intent so that the regulation is clear for everyone.

Plugging-in Vehicles/Living in RVs
Over the last few years, there have been several recreational vehicles being used as long-term summer housing. Many are being used as overflow housing for friends and family, but we have found a few being advertised as short-term rentals. Monitoring activity in the vehicles has been difficult for our enforcement team. Currently, connecting to electricity, water or sewer is not allowed, with the exception of up to a 14-day period per year for living/lodging that the ordinance allows. Recreational vehicle owners do have a need to connect to electricity to keep food refrigeration units working, cleaning and lighting when preparing for camping trips. Similarly, sometimes water is connected to fill tanks and for cleaning purposes. Allowing connections does make it more difficult for living/lodging monitoring.

- *Allow electric or water hookup with no restrictions rear round*
- *Allow electric and water hookup during "Active Use" (ACTIVE USE: A period of time where a recreational vehicle is uncovered and operational for intermittent use instead of covered or disabled, as in shrink-wrapped or fuel-stabilized.)*

Vehicle Length
Many boats being stored on land in our city exceed the 18-foot length maximum of the current ordinance. We do have some enforcement issues with a couple of vehicles that, because of their length, exceed the property line into rights of way, sidewalks, and/or streets. The different lengths allowed for boats versus other vehicles seems without reason. The length of recreational vehicles is directly related to the height of the same vehicle. Active Use parking in the front yard/driveway has at times been problematic. Many driveways are very close to the neighbor's homes, (we allow driveways on property lines) parking large vehicles next to neighbor's homes can negatively impact light and air movement including aesthetics both for the direct neighbors and the neighborhood in general. The same could be said for storage during the rest of the year in the side or rear yard.

- *Stay with current dimensions of 18 feet for boats and 30 feet for buses*
- *Shorten or lengthen dimensions as Council sees fit.*

Kayaks/Canoes

Currently two recreational vehicles are allowed per property. Per the ordinance definitions, a canoe or kayak would be considered one vehicle. Treating a 30-foot bus and a 10-foot kayak the same seems counterintuitive. If a large family each wanted a kayak, how they are stored seems more important than the exact number.

- *No set number, but additional language on storage methods (racks, stacked neatly against a structure).*

Front yard Parking

Currently, Active Use parking of recreational equipment and vehicles may be within a front yard including the front setback. As pointed out earlier, recreational vehicles seem to be getting larger. By allowing the vehicles in the setbacks, many vehicles are not only in the setback but are being parked in the city ROW tight up to the pavement on the street.

- *Continue to allow Active Use parking in front yard and in the setback.*
- *Do not allow parking in the Right of Way.*
- *Separately, amend the street parking ordinance to limit further the parking of recreational vehicles in the street if that is the intent of Council*

Recommendation:

Council discussion and direction. If further in-depth discussion is needed, perhaps a work session could be scheduled on June 24.

Attachments:

None

Charlevoix City Council
All Other Actions and Requests

Title: Distributed Energy Resource (DER) Documents
Date: June 17, 2024

Presented By: John Griffith, Electric Department Director

Background:
The Charlevoix Electric Department first adopted procedures to address customer-owned generation in 2018. Similar procedures were adopted by several Michigan municipal electric utilities. Since 2018, the cost of solar panels has dropped dramatically, and efficiency has vastly improved. Coal-fired power plants are facing early retirement, and natural gas-fired power plants may be faced with carbon capture and sequestration mandates. These changes are driving interest in customer-owned generation, otherwise known as Distributed Generation. Changes in the generation fleet around the country are also putting pressure on the regional transmission systems. Considering these concerns, the Electric Department contacted Power System Engineering, Madison, Wisconsin, to develop the attached documents. Utility Financial Solutions provided peer review and comments.

APPLICATION DOCUMENT SUMMARY:
This form identifies the interconnection customer and collects technical information of the proposed Distributed Generation project. The information will be reviewed by a registered professional engineer to determine the potential impact on Charlevoix's electric distribution system.

DISTRIBUTED ENERGY RESOURCE RIDER:
This is the controlling document of Charlevoix's Distributed Energy Program. It states distributed energy generation can be installed by customers served under any tariff, but it limits the individual capacity of the distributed energy resource and the total DER capacity on Charlevoix's electric system.

FAST TRACK SCREENING PROCESS:
This is a tool to be used by the Electric Department to expedite the project application process.

INTERCONNECTION AND OPERATING AGREEMENT:
This agreement has several sections that outline a legal framework for the operation of the distributed generation. It includes interconnection information, definitions, scope and limitations of the agreement, responsibilities of the parties, operating and metering obligations, inspections, right of access, billing requirements, governing laws and other obligations.

INTERCONNECTION STUDY AGREEMENT:
If the professional engineer's review of the application warrants further study, the interconnection customer will be required to sign this agreement. It outlines the terms and conditions of the study and provides written consent by the interconnection customer.

TECHNICAL SPECIFICATIONS MANUAL:
The purpose of the Technical Specifications Manual (TSM) is to outline the technical requirements for the safe and effective interconnection of Distributed Generation projects to the City's electric

distribution system or to the electric facilities of the City's electric customers.

Recommendation:

Motion to approve the Distributed Energy Resource documents as presented.

Attachments:

1. UFS Solar and Storage Right Sizing Model 11.04.2021
2. PSE TSM Draft
3. Distributed Energy Resource Rider Draft
4. DER Interconnection Study Agreement Draft
5. DER Interconnection Application Draft
6. DER Interconnection and Operating Agreement Draft
7. DER Fast Track Screening Process Draft

UFS Solar Right Sizing Calculator Example

Confirm all areas in green below are correct to Utility policy

To be filled in for right sizing prior to each install

Right sized KW DC allowed up to and metering / billing method

Enter Utility policy size array allowed for metering and billing options (note enter 0 to force Buy All Sell All)

KW DC solar installed up to	10	Net Billing	
KW DC solar installed larger than 10		Buy All Sell All	

Enter percentages below from Utility policy

100%	Up to % for annual kWh before solar
100%	Up to % for peak KW before solar
1.2	DC to AC Ratio

PVWATTS solar production per year per KW DC of solar adjusted for snow loss if applicable

Snow Loss %				
9.62%	1234	Fixed	1,115	kWh
9.30%	1533	1-Axis	1,390	kWh

Enter array size precision below from Utility policy

0 array KW DC size rounding precision - zero decimal places recommended by UFS

Enter monthly kWh before solar to be filled in for specific customer requesting solar below

Average	customer monthly kWh before solar	638	monthly kWh
	should equal customer annual kWh before solar	7,655	confirm customer annual kWh total correct from monthly average above
		7.00	Fixed KW DC allowed for kWh
		6.00	1-Axis KW DC allowed for kWh

Enter peak KW before solar to be filled in for specific customer requesting solar below

customer peak KW before solar	0	peak KW AC
	0.00	Fixed KW DC allowed for KW
	0.00	1-Axis KW DC allowed for KW

Choose Min or Max allowed based on Utility Policy

Max	Max of annual kWh or peak KW before solar	**7.00**	Fixed KW DC up to allowed final
		6.00	1-Axis KW DC up to allowed final

This system qualifies for:

Net Billing	for Fixed array
Net Billing	for 1-Axis array

Side Calc

Current kW AC installed

0		Current solar installs AC	
0		DC	
	-	AC kWh per year	
$	-	0.12	Retail
	-	0.04	VOS
$	-		

Estimated Annual kWh AC production

7,807	Fixed Array
8,343	1-Axis Array

UFS Storage Right Sizing Calculator Example

Confirm all areas in green below are correct to Utility policy

Enter Utility policy number of storage hours required

1	(number of continuous battery discharge hours @ peak solar ac in frequency response / power quality mode)
50%	Utility policy percent of solar ac peak for battery to support continuous

3.00	Min KW AC battery suggested for up to 7 KW DC Fixed solar @ 1 continous hour
3.00	Min KW AC battery suggested for up to 6 KW DC 1-Axis solar @ 1 continous hour

Customer Name
Customer Address

	2018	2019	2020	2021	UFS Columns Average	Max
January	378	747	509	940	644	940
February	944	971	730	1,283	982	1,283
March	333	777	422	1,048	645	1,048
April	546	240	240	939	491	939
May	519	567	1,276	702	766	1,276
June	295	346	348	572	390	572
July	497	374	579	640	523	640
August	693	676	772	1,089	808	1,089
September	611	505	729	923	692	923
October	319	707	537	744	577	744
November	194	547	617	453	453	617
December	689	633	735	686	686	735
Total	6,018	7,090	7,494	10,018	7,655	10,806
Monthly Average	501.50	590.83	624.50	834.86	637.92	900.50

High	900.50
Low	501.50
Average	637.92

Distributed Energy Resource Technical Specifications Manual

CITY OF CHARLEVOIX
210 State Street
Charlevoix, MI 49720
231-547-3270

Power System Engineering

Review and Approval				
REV	**Prepared By**	**Date**	**Approved By**	**Date**
A	DFJ	4/20/2020		
B	DFJ & ESS	6/30/2020	ESS	6/30/2020
C	DFJ & KBF	8/24/2020	DFJ	8/27/2020
D	ESS	12/30/2020	ESS	12/30/2020
F	ESS	11/10/2021	ESS	11/10/2021

Table of Contents

1. Introduction

The purpose of this Technical Specifications Manual (TSM) is to outline the technical requirements for safe and effective interconnection of Distributed Energy Resources (DERs) either interconnected to the City of Charlevoix, MI (Utility) electric distribution system or connected to the electric facilities of the Utility's electric customer. The Utility's electric distribution system is referred to as the Area Electric Power System (Area EPS) and the electric customer system is referred to as the Local Electric Power System (Local EPS).

DER facilities include electric generators, battery energy storage systems, and other devices that can be a source of electric power and is ultimately connected in parallel for more than 100 milliseconds, or more than six cycles, to the Area EPS. The Area EPS owned by the Utility is a multi-grounded neutral system energized at a nominal voltage of 7.2/12.47 kV. The way a DER is connected to, and disconnected, from the Area EPS can vary.

1.1. System Impact to Area EPS

Parallel DER facilities connected to the Area EPS can cause a variety of system impacts. Those located individually on higher capacity feeders or circuits may not cause very serious impacts whereas those located on weaker circuits, in aggregation or in special cases (such has lightly loaded conditions) can significantly impact the Area EPS. The interconnection of all parallel DER facilities requires safeguards for synchronization and integration. Further, from the Area EPS perspective, the challenges posed by any given parallel DER facility's interconnection do not diminish significantly with reduction in the facility size. For this reason, each specific interconnection must be studied with respect to its size, its type, and the nature of the Area and Local EPS at the interconnection point. Typically, some level of an interconnection or system impact study will be performed by the Utility of the proposed DER to identify any potential complications. The intent of this study is to avoid adverse impacts to the Area and Local EPS by identifying the impact(s) that will occur under normal and N-1 conditions. Where adverse system impacts are identified, the Utility will determine the required system modifications that can be implemented to mitigate the issue(s).

1.2. Potential Issues

The TSM, in combination with the Utility's interconnection or system impact study, is intended to prevent potential issues. There are a wide range of potential issues associated with the interconnection of DER facilities to the Area EPS including, but not limited to:

- Thermal overloads
- Impact on step voltage regulation equipment
- Increased fault duty on the Area EPS equipment
- Interference with the operation of protection systems
- Harmonic distortion contributions
- Steady state voltage outside of ANSI standards

- Voltage flicker
- Ground fault overvoltage
- Risk of unintentional islanding
- System restoration
- Power system stability
- System reinforcement
- Metering
- Arc flash

1.3. General Requirements

All parallel DER systems shall be designed to ensure:

- Capability to synchronize with the Area EPS.
- Capability to separate from the Area EPS upon loss of the Utility source.
- No degradation of the Area EPS safety and reliability.
- All energy supplied to the Area EPS will meet the Utility’s power quality and transmission system operator requirements.

1.4. On-going Responsibility

The Interconnection Customer (IC) shall be responsible for on-going compliance with regulatory, code, and system design and operating changes pertaining to their installation. This work will be performed at the cost of the IC. The Utility requires all electrical and physical design documents and submittals for DER interconnections with the Area EPS at 600 volts or above to be prepared and sealed by a State- Licensed Professional Engineer in the state where the installation is made, and who is retained by the IC for that purpose.

2. Interconnection Policy

The Utility's interconnection policy permits an IC to operate DER in parallel with the Utility's Area EPS, providing it can be done safely. The Utility strives to provide a safe and reliable interconnection and to carry out the interconnection process in a timely manner.

- All services must meet all applicable requirements of the Utility.
- All DER facilities will require an application and an interconnection agreement.
- All DER facilities sized to sell energy back to the Utility will be required to sign a Power Purchase Agreement (PPA).
- Single-phase and three-phase customer-owned DER may be connected in parallel with the Utility’s Area EPS providing these facilities meet the requirements outline in this manual.
- The Utility will reserve the right to open the inter-tie to and DER facility who violates the requirements outline in this manual.

- The Utility shall not assume any responsibility for the protection of the DER facility, or any other customer's equipment within the Local EPS. The IC shall be completely responsible for protecting their system from any abnormalities.

3. Applicable Codes, Standards, and Guidelines

The DER system shall confirm to the latest revision of all local, state, and federal codes and national standards that apply, including issued amendments unless the Utility has taken exception to such standard. Specific codes and standards applicable to this manual include, but are not limited to:

- Institute of Electrical and Electronics Engineers (IEEE) Std. 1547 "Standard for Interconnection and Interoperability of Distributed Energy Resources with Associated Electric Power System Interfaces"
- Underwriters Laboratories (UL) Std. 1741 "Standard for Inverters, Converters, Controllers and Interconnection System Equipment for Use with Distributed Energy Resources"
- ANSI/IEEE C2 "National Electrical Safety Code®" (NESC)
- NFPA 70 "National Electrical Code®" (NEC)
- NFPA 70B "Recommended Practice for Electrical Equipment Maintenance"
- NFPA 70E "Standard for Electrical Safety in the Workplace"
- NETA-MTS "Maintenance Testing Specifications for Electric Power Distribution Equipment and Systems"

4. Performance Categories Assignment

Performance categories describe minimum equipment capability and the required ranges of allowable settings.

IEEE-1547-2018 standard provides a technology-neutral approach in which performance categories are assigned to specify required capability for reactive power performance, voltage regulation performance, and response to abnormal conditions.

There are several available performance categories defined in IEEE 1547 standard which contemplates current and future system needs at varying levels of DER penetration. Performance requirements associated with performance categories are driven by Area EPS or Regional Transmission Operator (RTO) needs. The subsections below contain the specific requirements that have been determined to be appropriate for application in the Utility's service territory.

4.1. Normal Condition – Category A and B

Category A and B specify reactive power capability and voltage regulation performance requirements. Category B is intended for use where DER penetration has the potential to be higher and where the DER power output is subject to frequent large variations. Category B encompasses all of Category A capabilities. Category A and B assignment is specified below.

DER Type	IEEE 1547-2018 Category
Synchronous Machine	Category A
Inverter-Based	Category B

4.2. Abnormal Condition – Categories I, II or III

Abnormal condition category assignments will not be enforced until mandated by the Regional Transmission Operator (RTO) and Bulk Power System (BPS).

DER capable of meeting abnormal performance categories outlined in IEEE 1547-2018 are encouraged to use Category I for synchronous machines and Category II for inverter-based generation.

Categories I, II, and III differentiate performance requirements for DER response to abnormal conditions. These requirements are specified below. Category III is the highest capability and can inherently meet the ride-through requirements of the lower categories. In contrast, the voltage and frequency trip requirements of higher categories may not be met by lower categories as the range of allowable settings may be mutually exclusive.

- Category I encompasses minimum BPS essential needs.
- Category II coordinates with North American Electrical Reliability Corporation (NERC) PRC-024-2 with a modification to the voltage ride-through to account for characteristics of distribution load devices.
- Category III covers all BPS reliability needs and introduces ride-through requirements aimed at addressing high DER penetration integration issues such as power quality events and other abnormal system conditions which may arise from DER tripping in the Local EPS.

4.3. Default Parameters

The DER shall use the IEEE 1547 default parameter settings for all capabilities and performance requirements of the applicable performance category. In order to protect the Area EPS and BPS reliability and to produce a response from DER that can be modeled, deviating from the IEEE 1547 default parameters for abnormal performance category settings should be a rare occurrence.

4.4. Alternative Abnormal Operating Performance Category

Desired performance outside of what is defined in this document will require study and agreement between the Utility and the IC. Mitigation of abnormal operating conditions may be required at the expense of the IC.

5. Power Factor Capability and Voltage/Power Control Performance

5.1. Constant Power Factor

All new DER interconnections shall be capable of providing a constant fixed power factor from 90% leading (absorbing) to 90% lagging (injecting). The required constant fixed power factor will depend on the size, type, location, and studied impact. Typically, for larger DER installations, the fixed power factor value will be identified in the interconnection study process and may additionally be specified in the interconnection and operation agreement.

The default power factor setting for synchronous and inverter-based generation shall be set to 98% absorbing reactive power unless specified differently by the Utility.

Induction generators less than or equal to 100 kW may be allowed to operate with minimal power factor correction at 0.95 leading (absorbing vars). Induction generators greater than 150 kW must have the capability to expand power factor capabilities with external devices such as a Static VAR compensator (SVC).

5.2. Voltage and Power Control Performance

In addition to constant power factor functionality, the DER shall be capable of adjusting active and reactive power output to maintain the Area EPS voltage within thresholds designated by the Utility and IEEE 1547-2018. The DER shall not actively regulate the Area EPS voltage without the approval of the Utility. Voltage and power control functions shall be available by DER category as indicated in the following table.

Control Function	**IEEE 1547-2018 Category**
Constant Reactive Power Mode	Category A & B
Voltage-Reactive Power Mode	Category A & B
Voltage-Active Power Mode	Category B
Active Power-Reactive Power Mode	Category B

6. Response to Abnormal Conditions

Abnormal conditions can occur on the Area EPS or BPS. Under these abnormal conditions the DER shall respond appropriately. Currently IEEE 1547-2018 certified inverters are not readily available, therefore inverters certified to the requirements of, IEEE 1547a-2014 should be used under abnormal conditions. The settings in this Section are based on IEEE 1547-2003 and should be used.

6.1. Voltage Disturbance Delay & Trip Times

The IC shall operate their DER to maintain the same voltage level as the Area EPS at the PCC/POI and voltage regulation is required to be in service whenever the DER is synchronized to the system. Undervoltage and overvoltage functions are applied to prevent unintentional islanding operation during an islanding event. The IC must provide an automatic method of disconnecting their DER(s) from the Area EPS if the voltage cannot be maintained within the Utility's limits as stated in the following table.

Voltage Disturbance Delay and Trip Time				
Trip Function	**Range**		**Clearing Time**	
	Percentage	**Voltage (@ 120 V Base)**	**Seconds**	**Cycles**
OV2	> 120%	> 144	0.16	9.6
OV1	110% - 120%	132 - 144	1.0	60
No Action	88% - 110%	105.6 - 132	No Operation	
UV1	50% - 88%	60 – 105.6	2.0	120
UV2	< 50%	< 60	0.16	9.6

6.2. Frequency Disturbance Delay & Trip Times

The nominal frequency of the Area EPS is 60 Hz and is maintained within the limits of 59.3 - 60.5 Hz under normal steady-state operation. Under frequency and over frequency functions are applied to prevent unintended islanding operation. The IC shall provide an automatic disconnecting means from the Area EPS when DER falls outside the limits stated in the following table.

Frequency Disturbance Delay and Trip Time				
Trip Function	**Range**		**Clearing Time**	
	Percentage	**Frequency (Hz)**	**Seconds**	**Cycles**
OF2	> 103.3%	> 62.0	0.16	9.6
OF1	102.0% - 103.3%	61.2.0 – 62.0	300.0	18000
No Action	97.5% - 102.0%	58.5 – 61.2	No Operation	
UF1	94.2% - 97.5%	56.5 - 58.5	300.0	18000
UF2	< 94.2%	< 56.5	0.16	9.6

Larger DER units, including units above 10 MVA, may be required to have over/under frequency protective (device 81 O/U) relaying set points that coordinate with the BPS automatic underfrequency load shedding program (UFLS). The RTO UFLS program and the North American Reliability Corporation (NERC) reliability standard PRC 006 govern the requirements. These requirements are dynamic and adjust overtime to meet changing system needs. Therefore, DER units that currently do not have ULFS requirements today may have to comply with future requirements, including smaller installations. DER facilities must not separate from the system until all underfrequency load shedding steps have operated.

6.3. Dynamic Voltage Support

Dynamic voltage support is currently not allowed and shall be disabled.

6.4. Governor Droop

All DER units greater than 100 kW with active governors should be operated in automatic mode unless directed otherwise by the Utility. To provide equitable and coordinated system response to load and generation imbalances, governor droop should be employed, and governors should not be blocked or operated with excessive dead-bands. Cogeneration units associated with an industrial process may not be able to provide a large signal response but are encouraged to have a small signal response active. The default droop setting is 5%.

7. Protection Requirements

7.1. Manual Disconnect Switch

A manual disconnecting device, capable of interrupting the rated DER and/or load current, accessible to the Utility's personnel, and which can be locked open with a visible open for line clearances, must be provided. The visible open shall be viewable without unbolting covers or assistance from site personnel. The switch must be accessible to the Utility's personnel without assistance from site personnel. The form of this device will vary with the service voltage and generator capacity.

The manual disconnect switch must be clearly marked with a permanent, weatherproof label. For DER facilities where the switch and/or production meter are not located near the Utility's revenue meter, the IC must post at the revenue meter a permanent, weather-proof, clearly labeled map or diagram showing the location of the revenue meter, the switch, production meter, and DER facility.

DER facilities that do not operate continuously in parallel with the Area EPS may omit the disconnect switch. To qualify, the IC system must be a separate system never in parallel, a high-speed transfer, or closed transition limited to a maximum of 2 minutes in parallel.

7.2. Protective Devices

Protective devices (relays, circuit breakers, etc.) for the protection of the Area EPS, metering equipment, and synchronizing equipment must be installed as required by the Utility and IEEE 1547-2018. The complexity of the protective devices differs with the size, complexity, and location of the generation installation.

7.3. Protective Relay Default Settings

For the protective functions required under IEEE 1547-2018, the default settings provided in IEEE 1547-2018 shall be used unless the interconnection review indicates some other setting is to be used. The exception is the underfrequency relay setting as previously discussed.

7.4. Protection Requirements by DER Size Classification

The Utility has established seven different classes of protective relaying for distribution interconnected generation. These are provided as guidance and are meant to be consistent with IEEE 1547-2018. IEEE 1547.2 provides additional discussion, design considerations, and approaches to address specific applications. The following table provides a summary of protection requirements.

Summary of Relaying Requirements								
Type of Interconnection	**Over-current (50/51)**	**Voltage (27/59)**	**Frequency (81 O/U)**	**Reverse Power (32)**	**Lockout (86)**	**Parallel Limit Timer (62)**	**Sync-Check (25)**	**Transfer Trip**
10 kW and Under (Section 16 Figs. 1 & 2)	-	YES(1)	YES(1)	-	-	-	YES(1)	-
10 kW to 100 kW (Section 16 Figs. 3 & 4)	YES(1)	YES(1)	YES(1)	YES(1)(3)	-	-	YES(1)	-
100 kW to 1 MW	YES(1)	YES(1)	YES(1)	YES(1)	YES	-	YES	YES(2)
1 MW to 10 MW (Section 16 Fig. 6)	YES(1)	YES(1)	YES(1)	YES(1)	YES	-	YES	YES(2)
>10 MW (Section 16 Fig. 7)	YES	YES	YES	YES	YES	-	YES	YES(2)
Hot Transfer Standby Generation	YES	YES	YES	YES	YES	YES	YES	YES(2)
Soft Loading Transfer System	YES(3)	YES(3)	YES(3)	YES(3)	YES(3)	YES	YES	YES(2)

(1) For systems with certified inverters, these functions may be built into the inverter.
(2) The need for transfer trip will be determined by the Utility when studied.
(3) The need for these protective elements will be reviewed by the Utility.

Where multiple DERs are connected to the Area EPS through a single service point, the class will be determined by the sum of the DER ratings. The classes are based upon generator or inverter nameplate ratings.

These classes have been established for convenience and are based on circuits with normal load density. The final decision as to the requirements for each installation will be made depending on IC load magnitude, the magnitude of other loads connected to that circuit or Area EPS, available short circuit contribution, source substation size, line conductor size, etc.

The noted protection is for the protection of the Area EPS and other customers connected to the Area EPS. In each application, protective relaying associated with the interface requirements will be reviewed by the Utility. The IC shall be responsible for determining their own relay settings. The IC should provide documentation that their interconnection relaying and settings are in accordance with these documents before the start of relay trip checks. Small certified interconnection packages up to 10 kW normally do not require relay setting determination.

Non-certified installations and DER facilities greater than 100 kW require utility grade relays. The following specifies what a utility grade relay should include:

- Meets or exceeds ANSI/IEEE Standards for protective relays (i.e., C37.90, C37.90.1, and C37.90.2).
- Extensive documentation covering application, testing, maintenance, and service.
- Positive indication of what caused a trip (Targets).
- A means of testing that does not require extensive unwiring (e.g. a draw out case, test blocks, FT- 1 switches, etc.)

7.4.1. Installations of 10 kW and Under

Most installations in this class feature a certified interconnection package. Each package will be reviewed by the Utility to verify that it is certified and applied in a manner consistent with its certification. Relay settings will be reviewed for inverters certified under IEEE 1547-2018.

Except for certified interconnection packages, all installations in this class will require a design and relay review by the Utility (i.e., metering and relaying one-lines, protection, and control schematics, relay setting sheets, and nameplate data of the generator(s), breaker(s), and disconnect switch(es)). The Utility will determine if a relay and site inspection (i.e., witnessing the calibration and testing of the relays and operation of the generator and breakers) is also required.

Stand-alone energy storage (battery) installations must be permanently wired into a suitable load center in accordance with the NEC (see Article 690 for PV and 702 for Standby). A lockable disconnect switch must be provided that is readily accessible to the Utility's personnel. This switch is to be at the metering point unless an alternate location is readily accessible and easily identifiable. The Utility must approve the alternate location and a durable map or written sign should be provided at the metering or PCC location indicating the location of the switch.

7.4.2. Installations of 10 kW to 100 kW

Except for certified interconnection packages, all installations in this class will require a design and relay review by the Utility (i.e., metering and relaying one-lines, protection, and control schematics, relay setting sheets, nameplate data of the generator(s), breaker(s), disconnect switch(es), and certified test reports). The Utility will determine if a relay and site inspection (i.e., witnessing the calibration and testing of the relays and operation of the generator and breakers) is required. Installations using certified interconnection packages do not require the full documentation; however, review of relay settings is required.

Installations that use a certified package will be given a quick review. All installations that are not a standard package must be reviewed individually. Some variation in the specifics of the requirements, but not the intent, will be allowed. The intent is to be consistent with IEEE 1547-2018 requirements. The Utility must approve all variations. Non-certified installations in this class may use either industrial grade or utility grade relays.

7.4.3. Installations from 150 KW to 1 MW

All non-certified installations in this class will require a design and relay review by the Utility (i.e., metering and relaying one-lines, three-lines, protection and control schematics, relay setting sheets, nameplate data of the generator(s) and breaker(s)/disconnect switch(es) and certified test reports will be provided to the Utility by the Customer. A site inspection (i.e., witnessing the calibration and testing of the relays and operation of the generator and breakers) is also required. The documentation and review can be reduced if certified interconnection packages are used. For this size range, the proposed relay settings must be provided for certified packages.

Installations in this size range may be an assembly of two or more certified interconnection packages. This is a common practice with photovoltaic sites. The certification process certifies the design and functionality for only one inverter package with its associated energy source. It does not address the increased system and protection impacts that multiple certified units will have. Because of this, a site with multiple packages must be reviewed and additional protective equipment and field-testing may likely be required for the larger composite installations. The use of certified inverters will reduce the time and cost of reviews and later commissioning.

With some of the larger installations, the IC instead of the Utility may own the transformer and associated equipment. Utility grade protective relays and utility grade equipment are required. The protective relaying aspects of certified interconnection packages are accepted as meeting the Utility grade requirement for that portion of the facility.

7.4.4. Installations from 1 MW to 10 MW

All installations in this class will require a design and relay review by the Utility (i.e., metering and relaying one-lines, three-lines, protection and control schematics, relay setting sheets, nameplate data of the generator(s) and breaker(s)/disconnect switch(es) and certified test reports will be provided to the Utility by the IC). A site inspection (i.e., witnessing the calibration and testing of the relays and operation of the generator and breakers) is also required.

Installations in this size range may be an assembly of multiple certified interconnection packages. This is a common practice with photovoltaic sites. The certification process certifies the design and functionality for only one inverter package with its associated energy source. It does not address the increased system and protection impacts that multiple certified packages will have. Because of this, a site with multiple packages must be reviewed and additional protective equipment and field-testing will likely be required. The use of certified inverters will reduce the time and cost of reviews and later commissioning.

Facilities in this size range are strongly encouraged to be located within two-line miles of the substation. Expensive system modifications and restrictive operating requirements become increasingly likely as the distance from the sub increases. Many rural systems will not accept this class of generation or may require extensive rebuilding and reinforcement. The IC may be required to interconnect with the transmission system.

With some installations, the transformer and associated equipment are owned by the IC instead of the Utility. Utility grade protective relays and utility grade equipment are required.

7.4.5. Installations 10 MW and Above

In general, the Area EPS is designed to handle loads and DER up to 10 MW for urban/suburban circuits. Rural circuits are typically less than 10 MW. Installations greater than 10 MW are usually served from the sub-transmission (46 or 69 kV) or transmission (115 or 230 kV) system. DER facilities greater than 10 MW are more likely to impact the Bulk Power System (BPS) and may be required to go through the FERC Small Generation Interconnection Process (SGIP).

7.4.6. Hot Transfer Standby Generation

A hot transfer standby DER system is defined as one in which an IC's generation can be connected to the Area EPS for more than 2 minutes but not on a continuous basis. These DERs fall under the same requirements as a DER that is continuously connected to the Area EPS. Since this type of installation often employs a sensitive direction power relay to aid in separation, some of the interconnection requirements may be relaxed, at the sole discretion of the Utility.

7.4.7. Soft Loading Transfer System

A soft transfer system is defined as one in which the paralleling of the Area EPS and the IC’s DER equipment is less than 2 minutes. A soft or closed transfer is permitted for the purpose of avoiding excessive voltage and frequency deviations to the IC’s load. Where the load is large, the transfers are to have a controlled ramp rate to avoid undue voltage disturbances to other customers. If the paralleling time has been exceeded, a breaker or switch must be automatically tripped to isolate the Area EPS from the IC’s generators.

Because of the complexities in the closed transfer system(s), each installation will need to be reviewed on a case-by-case basis. Due to the brief nature of the paralleling exposure, reduced interconnection requirements may apply, such as waiving the effective grounding requirements in some cases. Machine based DER that will parallel for less than two-minutes and that will equal or exceed 1 MW of aggregated DER requires review and a signed interconnection agreement. This size and type are likely to require voltage supervision of reclosing.

7.5. Additional Protection Requirements by Generation Type

7.5.1. Synchronous Generators

The Utility will review the settings of the IC's synchronizing relaying to verify the settings are within the guidelines of IEEE 1547-2018. This is to ensure settings suitable to prevent excessive voltage transients on the Area EPS are used. The Utility shall not take responsibility for the appropriateness of any given setting for protecting the IC's equipment. It is highly recommended that the IC consult with the manufacturer of their equipment for settings that are appropriate for the protection of the IC's equipment. Small interconnection facility packages that are certified for use with synchronous generators will include this functionality.

Sync-check relays (Device 25 or 25X) should be included in addition to the synchronizing relays on large synchronous generators. The 25X function should be a separate device (i.e., not included in the synchronizer) for all units 1 MW and above. The 25X, 25 relay, and any other sync relaying, must not allow the IC's facility to energize a de-energized utilities line. This is for the safety of the Utility personnel and the public. The maximum phase angle error and voltage difference allowed by the 25X relay, and other sync relaying as well, should be consistent with the guidelines in IEEE 1547-2018.

7.5.2. Induction Generators

Speed matching may be by any means such that voltage regulation and voltage flicker are held within the tolerances earlier described. Double-fed induction generators may behave like synchronous generators and need synchronizing relays similar to those required for synchronous generators.

For medium size induction generators (typically above 150 kW), a mechanical speed matching relay (device 15) set to accept mechanical speed within +3% of 60 Hz must be used. A +1% speed match band will be required for large induction generators. The largest effect on the system of bringing an induction generator to synchronous speed is the voltage drop associated with the magnetizing inrush current upon connection to the Area EPS.

7.6. Transfer Trip Considerations

Transfer trip (TT) is a protection method whereby the conditions at one location cause a signal to be sent via a high-speed communication channel to another location resulting in a breaker trip or some other form of separation from the Area EPS to occur. For DER installations, the originating event is usually the feeder breaker at the substation tripping with the high-speed signal being sent to the DER to cause separation from the distribution feeder. The TT may originate on the transmission system for high penetration situations, especially if the substation is supplied where no transmission voltage circuit breakers are present. TT is mainly used when studies indicate local anti-islanding protection is marginal or inadequate to ensure a timely disconnection to adequately protect the other customers on the feeder. The DER may desire this protection to protect a large rotating generator from damage.

For smaller DER and lower penetrations, TT is rarely needed since large rotating generators are typically not included. Since the DER's receiver must be connected to the feeder breaker and since feeders are field switched, especially during contingencies, TT requires that the communications path to the new source is established using pre-installed transmitters, adding cost and complexity to the installation. When large rotating generators are included, TT will be necessary for many of the situations. While uncommon, TT may be needed for large inverter-based facilities even without any rotating machines present.

7.7. Open Phase Protection

The DER shall detect and cease to energize all phases to which the DER is connected for an open phase condition on the Area EPS occurring directly at the reference point of applicability. The requirement to cease to energize for a single-phase condition shall apply to both three-phase inverters and three-phase installations made up of single-phase inverters. As required by IEEE 1547-2018, the DER shall detect and cease to energize for unintentional islands. When restoring output after momentary cessation, the restore output settings of the DER shall be coordinated with the Area EPS reclosing timing.

7.8. DC Fusing

Larger DER installations must have some form of interconnection facility protection redundancy to ensure that a single failure does not disable all interconnection protective relaying and separation functions. For larger facilities, the use of a single, fused DC relaying string is not allowed. Adequate protection for the loss of a DC fuse must be provided. A loss of potential scheme shall be used when a duplicate relay scheme or package is not used. Due to the severe consequences that may occur for a large DER unit if all protective relaying is lost due to a blown fuse, some form of redundancy is required.

7.9. Grounding

The Area EPS is an effectively grounded system and requires that the DER connected to the Area EPS be designed (through the selection of transformers, generator grounding, etc.) so that they contribute to maintaining an effectively grounded system in conformance with IEEE 1547-2018. A DER facility that does not participate in maintaining effective grounding, upon islanding, can cause severe over-voltages to single-phase loads, resulting in equipment damage. IEEE 1547.2 provides additional discussion on the importance of and methods to address effective grounding. Inverter-based DER facilities under 100 kW, hot transfer standby generation, and soft loading transfer systems are typically excluded from this requirement.

Neutral reactors are required in several configurations for both rotating machines and inverters. A reactor has four ratings; reactance, continuous current rating, maximum current withstand for a maximum duration, and a voltage rating. The voltage rating for an air core reactor should exceed the withstand current times the reactance. If the voltage rating is for an iron core reactor, it must exceed the current times reactance plus a margin to ensure the reactor does not saturate under fault conditions. The lesser of 125% of current times reactance or full line-neutral voltage is suggested.

Direct connected rotating machines must comply with the traditional IEEE grounding standards. To achieve effective grounding, the IC's system Thevenin equivalent impedance must meet the two criteria given below or otherwise meet a coefficient of grounding of 80%, (see IEEE 32 and IEEE C62.92.2). Note – the effective grounding impedance is always determined with the DER separated from the Area EPS. Momentary fault withstand and continuous current ratings are always determined with the Utility and DER connected.

- The positive sequence reactance is greater than the zero-sequence resistance (X1 > R0).
- The zero-sequence reactance is less than or equal to three times the positive sequence reactance. The Utility requires the ratio to be between 2.0 and 2.5 (2.0*X1 < Xo < 2.5*X1) to limit the adverse impacts on feeder ground relay coordination.

7.9.1. Synchronous and Induction Generators

When calculating faults and effective grounding using the positive, negative, and zero sequence impedance networks, the networks should include impedances for the following: the step-up transformer, generator sub-transient reactance (Xd"), neutral grounding reactance on the step-up transformer and/or generator, secondary cable runs greater than 50 feet in length, and the grounding bank. For induction generators, the equivalent of the sub-transient reactance should be used. If the Xd" equivalent is not available, the following approximation is usually adequate:

$$X = \frac{Rated\ Voltage}{Locked\ Rotor\ Current}\ \Omega$$

The IC should submit the grounding device information for approval before it is purchased.

Many different system configurations will meet the effective grounding requirements. Transformer winding configurations are provided later in this manual and their ability to pass ground referencing through or to act as a ground source. Listed below are some guidelines and restrictions.

- A grounded-wye/grounded-wye step-up transformer is common and aligns with the Utility's transformer standards. When this transformer arrangement is used, the DER must have an appropriately sized grounding bank, or the DER's neutral must be adequately grounded (typically through a grounding reactor) to meet the utilities requirements for effective grounding. Utility supplied three-phase service transformers are grounded-wye/grounded-wye for four-wire systems.
- A delta (DER)/grounded-wye (Utility) step-up transformer must have a reactor in its grounded- wye neutral ground bank, (2.0*X1 < Xo < 2.5*X1). A neutral resistor will cause high power losses and is not recommended. The Utility does not supply this configuration.

- A delta step-up transformer, with delta on the Utility's Area EPS side, may be used. When this configuration is used, a grounding bank must be installed on the primary side of the generator step-up transformer. The grounding bank's impedance must be selected so that it meets the Utility's effective grounding requirements above, and it must be rated to withstand the system fault current and voltage imbalance. This configuration requires a switching device to separate both the DER and ground source during system separation. Utility supplied three-phase service transformers are generally delta on the Utility side for three-wire systems.

DERs that produce power at line voltage (i.e., a step-up transformer is not needed) either must be adequately grounded (typically through a grounding reactor in the generator neutral) or have a grounding bank to meet the Utility's effective grounding requirements. Grounding the DER is not recommended since significant DER derating due to unbalanced currents may result.

Voltage imbalance on the Area EPS may result in substantial current flowing into an IC's DER or grounding equipment. The Utility's operating objective is to keep phase-to-phase voltage imbalance under 1% and phase-to-ground voltage imbalance under 3%. Imbalance may be higher, especially during contingency conditions. The IC's equipment must be able to withstand allowable voltage imbalances and be able to operate during an imbalance condition. A zero-sequence voltage of 4% is recommended for determining the continuous imbalance rating. This rating should be adequate for contingency system configurations.

Normal system source impedance data for a given location can be obtained from the Utility. For contingencies and maintenance, field ties are temporarily used, and this can change the source impedance and fault duties as seen by IC. Normal system source impedance should be obtained before an IC purchases grounding equipment so that the equipment purchased will be appropriately rated (both for steady state and short time duty) for the given location.

7.9.2. Inverters, Double-fed Induction Generators, and Others

Inverter installations that are large, single-unit, or composite facilities should be checked for effective grounding equivalency. IEEE C62.92.2 directly applies to rotating generation and cannot be directly applied to inverters to determine ground referencing equivalency since grid connected inverters operate as a current source, not as a voltage source. Small, single-phase inverter installations are usually exempt from this requirement.

Double-fed induction generators have an equivalent short-circuit impedance that is available from the manufacturer. The equivalent combines the fault output of the stator windings and the inverter output from the rotor windings. Some double-fed generators employ a crowbar circuit on the rotor that is activated during upsets. Once the rotor is shorted, the generator acts like a standard induction generator.

The grounding requirement applies regardless of the energy source providing power to the inverter. The grounding method used needs to be compatible with the step-up transformer configuration. For three-phase installations, the phase-to-neutral over-voltages during a single line-to-ground fault must be constrained to avoid exposing the single-phase loads connected on the un-faulted phases to excessive voltage (<130% Ph-N rated voltage). The equivalent of a coefficient of grounding of 80% must be achieved, also see C62.92.4.

The following sizing method meets the grounding requirement. Transformer winding configurations and their ability to pass ground referencing through or to act as ground source is defined later in this Standard.

The grounding device or neutral reactor may be estimated according to the following criteria:

$$X_{0|DER} = 0.6 \pm 10\% \ \ p.u. \text{ and } \frac{X_{0|DER}}{R_{0|DER}} \geq 4 \text{ where } 1\ p.u.\ is\ bassed\ on\ Z_{base}\frac{kV^2}{MVA_{DER}}$$

DER Interface Transformer (DERIT) and Neutral Grounding Reactor (NGR)

a. the total kVA rating of the DER Facility (sum of DERITs' kVA ratings) and high side kV rating of the DERIT(s) for Grounding Transformer sizing; or
b. the kVA and high side kV rating of the DERIT for NGR sizing.

General notes include:

- DERIT kVA rating is assumed to be approximately equal to the DER capacity.
- For inverter-based interface, the "0.6" factor is a conservative approximation.
- Assume V_0=4% NGR or transformer should have a continuous current rating based on $II_{0|GGGG} = \frac{(4\% V_0)}{XX_{0|DDDDDD}}$
- Momentary fault withstand must have a time rating of 5 seconds or more with 10 seconds recommended.

Many three-phase inverters will not meet the grounding requirement. Some manufacturers employ an internal high resistance between the transformer's internal wye and the neutral or ground connection, which does not qualify as ground referencing. Some manufacturers connect the inverter transformers in a delta configuration. The presence of a neutral connection on the inverter does not ensure a grounded-wye configuration. If the inverter does not provide adequate ground referencing, either a small grounding bank will be needed or grounding with a separate wye-grounded/delta transformer with neutral reactor will be needed. See later discussion of three-phase installations using single-phase inverters.

An inverter with a delta/grounded-wye matching transformer will experience imbalanced current due to distribution system voltage imbalance. This may limit the inverter output capacity or result in overcurrent shutdowns during distribution system ground faults. A solid ground connection without a suitable neutral reactor is not recommended. Use of a neutral resistor is not recommended due to the ongoing elevated losses. A neutral reactor will reduce the imbalance current, operation issues, and losses. A grounding transformer avoids these issues and is the recommended approach.

“Transformer less” inverters rated 150 kW or less may be exempted by the Utility at their sole discretion. Above 150 kW, a separate ground referencing source must be provided.

DER technologies other than those discussed above may come into use. The same principles will apply to them. The DER interconnected to the Utility’s effectively grounded Area EPS must provide effective ground referencing.

7.9.3. Multi-Inverter Installations

Larger facilities are often comprised of multiple inverters, each with its own string of PV panels. For medium size installations with a secondary voltage Point of Coupling (PCC), a single ground referencing device may be installed to handle the entire facility. It can be sized in the same manner as described above. The sum of all of the included inverter AC nameplate ratings is used in the formula along with voltage at the location where the ground reference will be attached.

This same approach is used for large PV installations. The ground reference is often located at the medium voltage DER bus that connects to the PCC. The voltage to use in the formula is the medium voltage location rated voltage. The grounding method used needs to be compatible with the step-up transformer configuration.

7.9.4. Single-Phase Inverters

Three-phase DER facilities comprised of single-phase inverters must comply with NEC 705.40, 42, and 100. This applies whether there is one single-phase inverter per phase or multiple micro-inverters. Upon loss of one phase or one phase of the facility trips, the facility must cease exporting power or sense and separate the generation on all three phases. Any three-phase facility that is large enough to require the use of a grounding bank must sense and totally separate for loss of one or more phases or tripping of one or more DER phases.

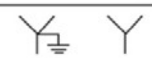
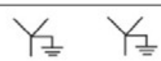
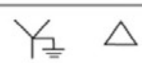
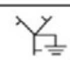
Three-phase DER facilities comprised of single-phase inverters shall be designed to produce power that is closely balanced per phase. The same considerations apply to single phase secondary service if inverters are applied hot leg to neutral. Operation that results in unbalanced power production or resulting voltage unbalance in excess of the Utility’s requirements shall cease operation until a balance better than the Standard’s minimum requirements can be met.

7.9.5. Ground Referencing Transformer Configurations

Three-phase DER Facilities must be ground referenced when interconnected to the four wire Area EPS. The only two types of sources that provide a ground reference includes a) a transformer with suitable winding configuration or b) a grounded wye rotating machine. Inverters do not provide a ground source, but they may have interface transformers that can.

Transformer winding configurations that can provide a ground source also provide a source for zero sequence current. The below table identifies which transformer winding configuration provides a source for zero sequence current. The Utility's standard distribution transformer is the grounded-wye to grounded-wye. It will pass zero sequence ground reference current through to the opposite side but will not provide a zero-sequence source.

If the IC is supplying the step-up transformer, there must be either a secondary ground source with a suitable transformer winding configuration or a primary ground source provided.

Transformation Primary (Pri.) ← → Secondary (Sec.)	Passes Zero Seq. Current?	Provides a Source for Zero Seq. Current?
	No	No
	No	No
	No	No
	Yes	No
	No	No
	No	Yes (to Sec. only)
	No	Yes (to Pri. only)
	No	No
	No	Yes (to Sec. only)
	Yes	Yes (to Pri. and Sec.)
	Yes	No
	Yes	Yes (to Pri. and Sec.)

7.9.6. *Ground Relays*

When the IC installs ground sources as discussed above, the Utility's ground overcurrent relays located at the substation and on distribution feeders will be de-sensitized during a single-line-to-ground fault when an IC's DER is operating in parallel. If the IC contributes more than 10% to a feeder line-to-ground fault, corrective measures become likely. This is rarely an issue when the generation facility uses inverters. When the IC's grounding contribution is relatively large, the Utility may require additional feeder protection equipment, at the IC's expense, to ensure a reliable and secure system configuration is maintained. The same loss of sensitivity for three-phase faults is possible especially with large rotating generation.

7.9.7. Grounding Bank Protection

When ground referencing transformers are installed to comply with the requirements, the protective relaying design and device ratings will be reviewed. The protection must be compliant with NEC Article 450.3, 450.5(A), or NESC as is applicable. The generation source must be off-line or be tripped off-line if the ground referencing transformer is unavailable or fails. If a protection scheme is AC powered, it shall be designed to minimize accidental disabling. The NEC required grounding transformer overcurrent protection should have enough time delay to coordinate with the Utility protective relaying. Protection with time delay should have a time delay that places the tripping characteristic at the grounding transformer's maximum current and withstand time rating. Protection schemes that remove ground referencing during times that the generator is off-line will be reviewed to ensure ground referencing is in service whenever the generator becomes active.

7.9.8. Non-effectively Grounded DER Connected Producers

At the sole discretion of the Utility, a DER facility under 150 kW may be other than effectively grounded if it can be shown that when the DER is islanded from the Utility and is still generating power, the kW load that will be served from the DER during the islanding condition will at all times be at least three times greater on each phase than the DER's per phase kW rating. In general, a facility under 150 kW that passes the Fast Track Screening will qualify for the ungrounded operation option. All inverters connected to spot or area networks must be effectively grounded on the secondary side.

8. Operations

8.1. Periodical Testing & Record Keeping

All interconnection-related protection and control systems shall be periodically tested and maintained, by the IC, at intervals specified by the manufacturer or system integrator and shall not exceed 10 years. Periodic test reports and a log of inspections shall be maintained by the IC and made available to the Utility upon request. The Utility shall be notified prior to the testing of the protective and control systems to witness the testing if so desired. The testing procedure for re-test shall be a functional test of the protection and control systems.

The IC shall notify the Utility prior to any of the following events occurring:

- Protection functions are being adjusted after the initial commissioning process.
- Functional performance changes of the DER.
- Functional software or firmware changes are being made on the DER.
- Any hardware component of the DER is being modified in the field or is being replaced or repaired with parts that are not substitutive components compliant with this standard.
- Protection settings are being changed after factory testing.

The Utility recommends any system that depends upon a battery for trip/protection power shall be checked and logged once per month for proper voltage.

8.2. Enter Service and Synchronization

Enter Service refers to DER starting operation following a planned or unplanned outage caused by the Area EPS or IC. Following an outage on the Local EPS, Area EPS, or other loads on the Area EPS will automatically result in the DER placing an increased power flow impact on the system. Energy storage systems should delay their recharging following these events to reduce this increased demand. All DER may also be asked to delay their starting times.

For Non-energy storage systems, the following are examples of possible restart requirements.

- The delay time for restarting of the DER after an outage may be increased.
- The DER shall stagger the restarting of inverters under normal restarting.
- Multiple transfer switches may be required for block loading DER to break up the blocks of the load transferred to the DER.

For energy storage systems, the following are some possible methods which may be required.

- The delay time for restarting of the DER after an outage may be increased.
- The charging of the energy storage system may require a predefined ramp rate.
- The discharging of the energy storage system may require a predefined ramp rate.

Refer to the energy storage systems Section below for the requirements.

When entering service, the DER shall not energize the Area EPS until voltage and system frequency are within the ranges specified below.

Enter Service Criteria		**Default Settings**
Applicable voltage within range	Minimum value	≥ 0.917 p.u.
	Maximum value	≤ 1.05 p.u.
Frequency within range	Minimum value	≥ 59.5 Hz
	Maximum value	≤ 60.1 Hz

The DER shall parallel and synchronize with the Area EPS in accordance to IEE 1547.

8.3. Power Ramp Rates

After meeting the requirements for entering service and synchronization considerations must be made on the appropriate ramp rates of DER to prevent operational problems. As part of a system impact study, step changes in load and generation will be studied to determine the impact to system voltage. A maximum of 3% change in voltage is allowed. Should the DER cause step changes beyond this mitigation will be needed.

8.4. Power Quality

The interconnection of the IC's DER equipment with the Utility's system shall not cause any significant reduction in the quality of service being provided to other Utility customers. Certified inverters, unless they are malfunctioning or misapplied, will generally comply with these requirements. Abnormal voltages, frequencies, harmonics, or interruptions must be kept within limits specified under IEEE 1547 and IEEE.

519. If high or low voltage complaints, voltage flicker, transient voltage complaints, and/or harmonic (voltage distortion) complaints result from operation of an IC's DER, such DER equipment may be disconnected from the Utility's system until the IC resolves the problem. The IC is responsible for the expense of keeping the DER in good working order so that the voltage, Total Harmonic Distortion (THD), Total Demand Distortion (TDD), power factor, and VAR requirements are met. IEEE 1547.2 provides additional discussion and approaches for identifying and addressing these issues.

8.5. Operating and Maintenance Agreements

Operating and maintenance requirements are documented in Interconnection and Operating Agreement. The operating and maintenance requirements are created for the benefit of both the IC and the Area EPS and shall be agreed to between the parties.

Operating and maintenance requirements may be reviewed and updated periodically to allow the operation of the DER to change to meet the needs of the IC and the Area EPS. There may also be changes required by external issues, such as changes in FERC and RTO recommendations or policies, which may require updates to the operating and maintenance requirements.

The following is a list of typical items that may be included as operating and maintenance requirements.

- Operational requirements, settings, and limits for DER when the Area EPS is in a normal condition
- Operational requirements, settings, and limits when the Area EPS is in an abnormal condition due to maintenance, contingencies, or other system issues
- Permitted and disallowed energy storage system control modes
- BPS or Area EPS limitations and arrangements that could impact DER operation
- DER restoration of output or return to service settings and limitations
- Response to control or communication failures
- Performance category assignments (normal and abnormal)
- Dispatch characteristics of DER
- Notification process between IC and Area EPS

- Right of Access
- Routine maintenance requirements and definition of responsibilities
- Material modification of the DER that may impact the Area EPS

9. Control Systems

The IC may choose to limit the AC capacity of a DER system using power controls. Power controls may also be used to limit DER system export levels to the Local EPS and/or the Area EPS. There are many possible reasons for implementing power controls, including meeting specific tariff terms or to mitigate the maximum level of power which can flow on the Local EPS and/or Area EPS.

These capabilities are referred to as power control limited capacity, power control limited export, and power control limited import. These terms are discussed in the following sections and may be generally referred to as power control limiting. Power control limiting may be accomplished using a power control limiting system. An alternate option, specifically related to assurance that the DER does not export power (non-export) to the Area EPS, is to implement the limit through relaying or by sizing DER in relationship to the size of the Local EPS load. The use and method for power control limiting shall require approval from the Utility.

9.1. Power Control System Requirements

If a power control system is used, it must meet the following requirements:

- The control system must monitor import and export power at the point of common coupling with the Area EPS.
- Shall control energy production from the DER by tripping or curtailing energy production within 2 seconds of receiving a signal to do so.
- Shall self-monitor the control system, such that failure of the control system to control or monitor will result in the tripping of the DER or separation from the Area EPS. This includes loss of control system power.
- The power to the control system must be battery backed up.
- Access to configuration and settings should be restricted to authorized and qualified personnel by means of password protection.

9.2. Common Control Modes

An operating mode means the mode of DER operational characteristics that determines the performance during normal and abnormal conditions. Several operating modes are most typical with power control systems. Most services provided by a power control system can be categorized into one of three common operating modes, although each service will have unique settings depending on the specific goal of the power control system. In the Interconnection Application and on the one-line diagram, one of these three operating modes shall be listed. If none of the below apply, provide a description of the operating mode:

- Limited Export at the PCC- The power control system controls the amount of real power that is exchanged across the point of common coupling with the Area EPS.
- Limited DER Output Capacity- The power control system controls the amount of real power that the DER is capable of outputting at the point of connection, behind the IC's side of the point of common coupling with the Area EPS.
- Import Only - The power control system prevents the DER from exporting real power across the point of common coupling with the Area EPS. This restriction may be placed on a single DER within a system of multiple DER, such as only on an energy storage system while allowing PV to export or may be placed on all DER behind a single point of common coupling with the Area EPS.

9.3. Documentation

When the DER implements the use of a power control system, it is generally to prevent export or limit export of a DER, control charging of an energy storage system, or limit the total DER capacity. The operating modes and control modes that the power control system may use are not typically certified to a national standard, and therefore need to be reviewed by the Utility to ensure compliance with applicable requirements of the Area EPS and/or BPS. When a review is required, there is often additional information that the IC needs to provide to the Utility. The following documentation shall be submitted as an attachment with the Interconnection Application when a power control system is being proposed:

a. Manufacturer and model of the power control system, or of the components that make up the power control system.

b. User manual of the power control system.

c. A control schematic of the power control system, showing instrumentation, sensors, breakers, and DER.

d. A listing of the operating modes and services that will be available in the power control system.

e. A listing of the operating modes and services that will be enabled.

f. A description of the operating modes, services, and any specific settings that are enabled, and how the hardware/software present in the design is used to accomplish the goals of each mode being used.

g. A description of how operating modes and services not being enabled are locked down to prevent unintentional enabling.

h. State the enabled operating mode, on the one-line diagram and interconnection application.

i. Additional information that may be requested by the Utility to clarify operation of the power control system.

9.4. Inadvertent Export

Inadvertent export is the unscheduled and uncompensated flow of real power, through the point of common coupling and back into the Area EPS. Inadvertent export may occur during sudden changes in electrical demand on the Local EPS and must be quickly resolved through the automatic adjustment of the DER output through the direction of the DERs power control system.

Inadvertent export, if it is large enough, could cause tripping of protective devices and a resulting power outage. For DER systems which are designed as non-exporting, the Area EPS has not been constructed to support the reverse flow of energy and may not be able to support it.

Inadvertent export shall be limited to 10% of the DER nameplate rating or 100kW, whichever is less, for a maximum of 30 seconds. The cumulative amount of inadvertent exported energy from the Local EPS to the Area EPS, across the point of common coupling, in any billing month shall be less than the on-site aggregated DER Nameplate Rating(s) multiplied by one hour. The power control system shall be designed to limit inadvertent export to these levels, unless otherwise mutually agreed to between the Area EPS and the IC. Any amount of inadvertent export of real power across the point of common coupling lasting longer than 30 seconds for any single event shall result in the disconnection of the DER system from the Area EPS within two (2) seconds of exceeding the 30-second duration limit.

10. Interoperability

As DER penetration rises, there will be an increasing need to provide the Utility with ongoing indication of the DER production. There will be evolving requirements as the penetration rises in both facility size and functionality. Work is in progress for smart inverters and advanced interconnection and communication standards to facilitate this evolution. At high penetrations of DER, there will be a growing need to also provide control instructions to the inverters such as shifting to a different voltage control mode. The following is an overview of the requirements at the time this manual is published. The IC should verify the requirements as part of the application process.

10.1. Monitoring and Control Requirements

10.1.1. 10 kW to 100 kW

The Utility may require the ability to remotely monitor the output of small to medium size installations. This information is needed to quickly address Area EPS and BPS constraints and contingency conditions, as required by NERC reliability standards. This does not apply to facilities that qualify for closed load transition status. Monitoring of small DER may be done through an aggregator or Utility provided neighborhood collector.

The information required will vary by DER location and size, but all will include real and reactive power, voltage, and unit connection status. Whenever the IC is located in an Area EPS or BPS constrained region, generates power in excess of the Area EPS load, or is in an area with a high penetration of DER, this monitoring is more likely to be needed.

The IC is expected to provide suitable space or enclosure for the installation of the monitoring and telemetry equipment. The cost of IC's site terminal equipment, any added metering, interface security device when needed, and ongoing communication channel costs to the designated Utility point of receipt is the IC's responsibility when telemetry is a condition of interconnection.

10.1.2. 100 kW to 1 MW

As DER penetration levels increase, the Utility will require the ability to remotely monitor the output of intermediate size installations as distribution control, safety, and power quality will require greater DER monitoring in addition to Utility provided feeder monitoring. This information is needed to quickly address Area EPS and BPS constraints and contingency conditions, as required by NERC reliability standards, which must be addressed quickly. This may not apply to facilities that qualify for closed load transition status.

The information required will vary by DER location and size, but all will include real and reactive power, voltage, energy production, and unit connection status at or faster than the designated scan intervals. Whenever the IC is located in an Area EPS or BPS constrained region, generates power in excess of the Area EPS load, or is in an area with a high penetration of DER, this monitoring will be needed.
The IC is expected to provide suitable space or enclosure for the installation of the monitoring and telemetry equipment. The cost of IC's site terminal equipment, any added metering, interface security device when needed, and ongoing communication channel costs to the designated utility point of receipt is the IC's responsibility when telemetry is a condition of interconnection.

10.1.3. 1 MW and Greater

DER facilities 1 MW-AC and greater are required to provide and pay for telemetry as part of the required system modifications. This includes the IC's site-end terminal equipment, any added metering, and interface security device when needed, and ongoing secure communication channel costs to the designated Utility point of receipt. This does not apply to facilities that qualify for closed or soft load transition status.

The information required may vary by DER location and size, but all will include near real time active and reactive power, point of delivery voltage, connection status, and integrated energy. Near real time means samples every 5 seconds or less with less than one second delivery delay. Whenever the IC is in an Area EPS or BPS constrained region, generates power far in excess of the Area EPS load, or is in an area with a high penetration of DER, more stringent monitoring and control may be needed. If the IC is located on a high penetration DER circuit, especially if it is capacity constrained, is likely to be required to have more extensive control.

Additional information may be required, either initially or later, such as ambient, wind speed, or solar intensity.

The Utility may require the ability to remotely disconnect or curtail the DER for installations 1 MW and larger. For some installations, a remote ability to change control modes, such as power factor setting, may be required. This will be determined during the facility review. This control is needed to quickly address Area EPS and BPS constraints and contingency conditions, as required by NERC reliability standards, which must be addressed quickly. If the IC does not provide a suitable device to be controlled, the Utility will install a suitable device on the feeder, at the IC's expense, to provide the control. The control of this device will be exercised in a non-discriminatory manner in compliance with the NERC standards. Interface with the inverters or the site controller is preferred as it provides more, and often less disruptive options.

The Utility either will provide the specifications for the equipment or the needed equipment, at cost, to the IC for the IC's site. The Utility will provide the equipment at the Utility's designated delivery location at Utility cost.

The IC is expected to provide suitable floor space or an enclosure in a suitable location.

The IC is to provide the secure communications channel to the Utility's dispatch facility or other designated location to provide the required communication path between the DER facility and the Utility. The Utility will define the needed minimum security, through-put, and latency requirements needed. This will be determined in the facility review.

Maintenance costs for telemetry related equipment at the IC's site is the responsibility of the IC.

10.2. Transfer Trip Considerations

Considerations for transfer trip are discussed in an earlier Section of this manual. The customer must work with the Utility to understand the design requirements for these systems.

10.3. Security Requirements

10.3.1. Physical Security

It is the responsibility of the IC to maintain physical security for equipment, communication, and control interfaces at the DER site. Front panel or local access to any protection, control or communication interfaces shall be password protected to allow only qualified personnel access.

10.3.2. Network Security

It is the IC's responsibility to ensure cyber security of any DER equipment or communication interfaces provided by the IC. The IC must assure there are now cyber connections with the internet and DER communication systems connected to the Utility. The communication link between any piece of equipment and the Utility shall be a direct link and not a shared communication channel with any other communication.

11. Energy Storage Systems

Various types of Energy Storage Systems (ESS) may be considered that connect in parallel to the Area EPS. Battery storage is common for DER applications where the primary benefit enables DER sources to be dispatched / adjusted upon request behind the meter. In these cases, the ESS is charged by the DG system to be available later to dispatch the stored energy when the DER facility is not generating. Customers may apply battery storage energy when the DER facility is not generating. Customers may apply battery storage where there is no DER facility to take electricity from the Area EPS as a load during off-peak times when rates are lower, store the electricity, and the use the behind the meter stored electricity during peak times when rates are higher.

ESS has the potential for significant effects on the load flow of the Area EPS and the overall dispatch characteristics of the system. An ESS can be complemented by “smart inverter” technology at the point of common coupling, which could also affect the Area EPS. Under such circumstances, it is critical to understand the operating characteristics of the ESS, including import and export times, as well as equipment power ratings and capabilities. Additional information may be required at the time of application for interconnection such as:

- Method of ESS connection whether:
    - ESS directly connected to the Area EPS
    - DER and ESS DC coupled
    - DER and ESS AC coupled
    - ESS on Utility line side of service point and revenue meter
    - ESS on load side of service point and Utility revenue meter with the premises load
- Sequence of operation for the charging and discharging capabilities of the ESS and the maximum ramp rate in watts/seconds.
- Non-UL 1741 listed inverters will require a utility grade intertie relay with the appropriate IEEE 1547 functions, settings, and islanding protection according to the Utility’s requirements.
- Service configuration and revenue metering provisions shall meet the Utility's requirements.

12. Microgrids

Various types of microgrids may be considered to connect in parallel to the Area EPS. Microgrids may be particularly appropriate to address resiliency and reliability. The Utility’s position is that when a community microgrid serves multiple customers (in contrast to a facility or campus-style microgrid serving a single customer such as a university or hospital), including residential customers, and operates with the surrounding electric distribution infrastructure, the Utility is in the best position to own and properly operate electric distribution facilities within the community microgrid for the public interest in terms of safety, reliability, and resiliency.

The Utility emphasizes the importance of the compliance of all microgrids with the safety requirements of applicable codes. The Utility electric distribution facilities connecting participants and users in community microgrids are delivered systems governed by the National Electrical Safety Code® (NESC) as adopted by the local jurisdictional authority. The individual customers connected to the community microgrid through the Utility’s electric distribution facilities have premises wiring systems that are governed by both the NEC, as adopted by the local jurisdictional authority, and the City’s Rules and Regulations for the safety of the user from the hazards of electricity.

The Utility must be able to control the isolation of a community microgrid at each point of common coupling with the Area EPS if the Utility is to be held accountable for the safety and reliability of service within such a microgrid. This isolation can be achieved by visible break disconnect switches, interrupting devices, or a combination thereof which can be manually or remotely operated by the Utility. DERs may be permitted to automatically trip a microgrid point of common coupling isolation device to island the community microgrid; however, they should be blocked from closing such a device until authorized to do so by the Utility’s control center. The control scheme that will disconnect and reconnect the community microgrid from the Area EPS must be permitted, each have their own complexities. As such, each community microgrid will require that specific protocols be developed to ensure that customer safety and the overall Area EPS safety and reliability are not in any way compromised.

Common microgrid DER interconnection equipment, protective system and microgrid controllers at the point of common coupling with the Area EPS are to be designed and operated according to the Utility's requirements and specifications as well as to applicable codes and industrial standards. These assets may be owned and operated by IC or third parties. Individual DER facilities interconnections for connecting to the Area EPS in a microgrid shall comply with all applicable requirements identified within the manual.

13. Metering Requirements

The Utility will own, operate, and maintain all billing metering installations.

Typically, secondary metering will be used when the Utility owns the interconnecting transformer and primary metering will be used when the IC owns the interconnecting transformer. In some cases, the Utility may agree to meter on the secondary side of an IC owned transformer. In this case, the IC must provide transformer test reports, and any other related conductor or bus information so that the Utility can calculate and apply a "loss compensation" through the transformer.

The IC shall always provide the Utility access to the premises to install, maintain, and remove metering equipment. The IC may, at its option, have a representative witness work on the metering equipment by the Utility.

The metering installation shall be constructed in accordance with the practices which normally apply to the construction of metering installations for residential, commercial, or industrial customers. For facilities with multiple DER installations, metering for each DER may be required. When practical, multiple DER installations may be metered at a common point provided the metering quantity represents only the gross DER output.

The Utility will supply the IC all required metering equipment and specifications and requirements relating to the location, construction, and access of the metering installation. The Utility will also provide consultations pertaining to the meter installation requirements as required.

The responsibility for installation of the equipment is shared between the Utility and the IC. The IC may be required to install some of the metering equipment on its side of the point of common coupling., including instrument transformers, cabinets, conduits, and mounting surface. All metering equipment must meet the Utility's specifications and requirements.

The Utility will install the meter and communication connections.

Submetering associated with load control and special rate programs may not be permissible with certain DER applications. It is the responsibility of the IC to verify if the Utility's load control and special rate policies allow DER installations. If these policies do not, it may be the IC's responsibility to remove and rewire existing submetering.

14. Signage and Labeling

All signage and Labeling shall meet the applicable NEC requirements including:

- NEC 110.21 (B)
- NEC 690.13 (B)
- 705.10

14.1. Utility AC Disconnect

The Utility AC disconnect shall be labeled as "Utility AC Disconnect".

If a single Utility AC Disconnect cannot be used to disconnect all DERs, all Utility AC Disconnects shall include numerical identification such as "Utility AC Disconnect 1 of 2" or similar. The number of disconnects required to be operated to isolate the DER from the Area EPS shall be clear.

14.2. Main Meter

A sign at the main service meter shall indicate that DER is present. Each type of DER present shall be listed (i.e. PV, Wind, Energy Storage System, Gas Generator). The sign shall provide clear direction to the distance and location of all DER Utility AC Disconnects. A map shall include outline of all structures in the area and compass arrow for orientation.

14.3. Production Meter

The production meter shall be labeled as "Production Meter". When multiple production meters exist, each production meter shall be labeled in a manner that identifies which DER is being metered. Ownership of Production Meter shall be indicated.

15. Test and Verification Requirements

To assure the safety and reliability, testing and commissioning requirements and procedures set forth in this document must be followed.

15.1. UL 1741 Type Testing.

The interconnection process allows for certification of DER equipment. This certification is recognized as UL 1741 for inverter-based DER. UL 1741 certification only applies to the inverter itself, while IEEE 1547 is applicable to the complete DER installation. Aggregated inverters, supplemental devices, such as ground reference banks, or additional protective relays may cause the system to be non-compliant with IEEE 1547. Additional review must be conducted to assure the complete systems compliance with IEEE 1547. Additional protective relays or equipment settings changes may be required to achieve compliance. For more complex systems a professional engineer may need to be consulted to evaluate compliance with IEEE 1547. Using UL 1741 certified inverters will reduce the scope of commissioning testing.

For inverter-based systems, non-UL 1741 certified inverters are not eligible for interconnection with the Area EPS. Three-phase systems made up of single-phase inverters not certified for use in a three-phase configuration are also not eligible for interconnection with the Area EPS.

The use of UL 1741 certified inverters does not automatically qualify the IC to be interconnected to the Area EPS. Non-UL 1741 certified DER still must meet the requirements of IEEE 1547 and this manual.

15.2. Certified Test Reports

A certified test report is a document that has been stamped as correct and complete by a Professional Engineer licensed to practice in the State of the DER installation. For units less than 150 kW, certification by a testing professional, such as NETA (International Electrical Testing Association) or equivalent, will be accepted. Other testing documentation may be accepted at the sole discretion of the Utility.

15.3. Witness Testing

IC are to demonstrate the correct operation and functionality of the interface protective devices. Only a simple, operation demonstration may be needed for small, certified interconnection packages. Some additional demonstration for larger or multiple certified packages may be required.

For larger facilities, especially where non-certified interface equipment is used, Customers must provide qualified electricians, technicians, and operators, as needed, to perform the demonstrations. The Customer must supply all personal protective equipment (PPE) required and designate any procedures necessary to ensure that appropriate safety precautions are taken while working near energized equipment. For large, complex facilities, the Utility may require a written commissioning plan prior to the testing date.

The scheduling of this demonstration should be coordinated to comply with the time frames specified by the Utility. The Utility may need to schedule multiple parties to participate in the witnessing. Where the facilities are large compared to the feeder capacity, special arrangements such as temporary field switching may be needed. Coordination with feeder maintenance and construction may be required, which may delay commissioning completion. Based on the size and type of DER at the site, the Utility may require only a design and relay setting review and not a site visit. This is to be determined by the Utility.

15.4. Equipment Commissioning Tests (Pre-Energization)

- Instrument Transformer Tests – CTs (Current Transformers) and VTs (Voltage Transformers) must be checked to verify proper wiring, polarity, and ratios. The installation should be checked against the design drawings approved by the Utility. CT's should be visually inspected to make sure shorting screws have been removed where required.
- Breaker and Switch Tests – Verify any interlocks between breakers and switches are functioning as designed. Verify any remote/local control or enable/disable control circuits or logic are functioning as designed. These verifications should be done by functional testing
- Trip Checks – Protective relay control circuits shall be functionally tested to ensure correct operation. The complete system should be tested by means of current or voltage injection to trigger an expected relay operation. Verify the relay operation trips the correct breaker, lockout or other protective or control element. The trip circuits shall be functionally verified from the correct relay operation to the breaker tripping. For inverters, UL1741 certification is adequate for the internal inverter functions.
- Remote Control and Monitoring – All remote control and monitoring SCADA points shall be verified operational. Analog points that are not able to be verified prior to energization may be verified at energization.
- Grounding – Shall be verified to ensure that it complies with the grounding requirements identified earlier in this manual, in addition to the NESC and NEC.
- Phase Rotation – The interconnection customer should work with the Utility to ensure proper phase rotation of the DER and wiring. UL 1741 certified inverters that do not intentionally island are not required to perform this test.
- Synchronizing Test – A pre-energization functional test demonstrating the DER paralleling-device will not allow closer if frequency, voltage, and phase angle are outside of the ranges required in IEEE-1547. For UL 1741 certified inverters, this test may not be required unless the inverter creates voltages for micro-grid or intentional Island operation.

15.5. Commissioning Tests (Energization)

The Following tests will proceed once the DER has completed the pre-energization testing and the results have been approved by the Area EPS. As-built drawings, inverter settings, relay settings, and other calculations and information shall be provided to the Utility prior to the scheduled witness test. All energized commissioning tests shall be based on written test procedures agreed to between the Utility and the IC.

The following steps will be a minimum requirement:

- <u>Verification of site Access</u> – The site, and associated equipment, must have 24/7 unescorted access available to the Utility. This access should be drivable and keyless.
- <u>As-built Verification</u> – Verification that the installation matches the approved as-built one-line diagrams.
- <u>Labeling Verification</u> – The labeling must be meet the requirements of this manual.
- <u>Remote Control and Monitoring</u> – Any testing of the SCADA systems that could not be done prior to energization should be done at this stage.
- <u>Anti-Islanding Test</u> – Compliance with IEEE-1547 should be verified with the following steps. IEEE 1547.1 shall be referenced for evaluation of acceptable testing procedures.

    a) The DER system shall be started and connected in parallel with the Area EPS source.
    b) The Area EPS source shall be removed by opening a switch, breaker etc.
    c) The DER system shall either separate with the local load or stop generating within 2 seconds.
    d) The device that was opened to remove the Area EPS source shall be closed and the DER system shall not re-parallel with the Area EPS for at least 5 minutes or per a mutually agreed upon enter service time.

15.6. Final System Sign-off

To ensure the safety of the public, all DER systems greater than 150 kW, and all DER systems of any size which are not UL 1741 certified, shall be certified as ready to operate by a Professional Engineer registered in the same state as the DER installation, prior to the installation being considered ready for commercial use. This certification shall be provided with the certified test report submitted to the Utility.

15.7. Periodic Testing and Record Keeping

Refer to the Operations Section of this manual.

16. Sample Documents

Sample one-line diagrams are attached at the end of this manual. Samples include:

- Figure 1 – Certified inverter interconnection packages < 10 kW
- Figure 2 – Non-certified interconnections < 10 kW
- Figure 3 – Non-certified interconnections between 10 kW and < 100 kW
- Figure 4 –Certified interconnection packages between 10 kW and < 100 kW
- Figure 5 – Non-certified interconnections between 100 kW and < 1 MW
- Figure 6 –Certified interconnection packages between 100 kW and < 1 MW

CITY OF CHARLEVOIX

DISTRIBUTED ENERGY RESOURCE RIDER
DISTRIBUTED GENERATION PROGRAM

AVAILABILITY:

This rider is available to any City of Charlevoix Electric Department (City) customer receiving service under an approved retail tariff. The Distributed Generation Program and this rider will be in effect and available until the total nameplate capacity of all participating generators equals one percent (1.0%) of the City's peak load for the preceding calendar year. Service is on a first come first served basis.

CHARACTER OF SERVICE:

As specified under the applicable tariff.

DISTRIBUTED GENERATION DEFINITIONS

(1) A Category 1 distributed generation customer has one or more Eligible Electric Generators with a maximum aggregate nameplate capacity of 10 kW DC that uses equipment certified by a nationally recognized testing laboratory to IEEE 1547-2018 testing standards, complies with UL 1741-SA, is located on the customer's premises, and is metered at the Point of Common Coupling.

(2) A Category 2 distributed generation customer has one or more Eligible Electric Generators with an aggregate nameplate capacity greater than 10 kW DC but less than 100 kW DC that uses equipment certified by a nationally recognized testing laboratory to IEEE 1547-2018 testing standards, complies with UL-1741-SA, is located on the customer's premises, and is metered at the Point of Common Coupling. All Category 2 Distributed Generation resources shall include storage capacity, be right sized for the installation and meet Charlevoix Electric Department's Technical Specifications.

(3) Eligible Distributed Electric Generator – a renewable (solar) energy system(s) generating, in aggregate, the lesser of (a) 100% of the customer's average annual kWh usage before solar (net zero), or (b) 100% of a customer's peak demand before solar and (c) does not exceed 100 kW of aggregate generation at a single site.

(4) Inflow – the metered delivery of capacity (kW) and energy (kWh) by the City to the customer during the billing month.

(5) Outflow – the metered delivery of capacity (kW) and energy (kWh) by the customer's Renewable Energy Resource not used on site and exported to the City during the billing month.

(6) Renewable Energy Resource – a resource that uses the sun to generate energy (kWh) and capacity (kW).

CUSTOMER ELIGIBILITY:

To be eligible to participate in the Distributed Generation Program, customers must generate a portion or all their own retail electricity requirements with an Eligible Electric Generator utilizing a Renewable Energy Resource as defined above.

A customer's eligibility to participate in the Distributed Generation Program is conditioned on the full satisfaction of any payment term or condition imposed on the customer by existing contracts or tariffs, including those imposed by participation in the Distributed Generation Program, or the City's Rules and Regulations for Electric Service.

CUSTOMER BILLING:

The energy supplied by the City to the Interconnection customer shall be billed at the retail tariff under which the Interconnection Customer receives electric service, including all fees, charges and taxes.

The energy supplied by the Interconnection Customer to the City shall be applied as a credit at the Renewable Credit rate. The credit will be applied against the energy cost only and the minimum energy charge shall be zero dollars ($0.00). The Minimum Charge shall be as stated on the applicable retail tariff.

(1) Category 1 Distributed Generation customers will be metered and billed based on the Net Billing approach described in Appendix A.

(2) Category 2 Distributed Generation customers will be metered and billed based on the Buy All Sell All approach described in Appendix B.

(3) Renewable Credits for Solar and Solar with Storage are included in the City's Schedule of Rates, Fees and Charges. This document is updated during the City's annual budgeting process.

APPLICATION FOR SERVICE:

To participate in the Distributed Generation Program, a customer shall submit a completed DER Interconnection Application Form to the City. If a customer does not act on the application within six (6) months, the application shall be considered void by the City.

GENERATOR REQUIREMENTS:

The Eligible Electric Generator(s) must be located on the customer's premises, serving only the customer's premises, and must be intended to offset all or part of the customer's electrical requirements. Systems shall not exceed the customer's self-service needs of the tariff to which this Rider is attached. The customer's requirement for electricity shall be determined by the customer's annual energy usage, measured in kWh, during the previous 12-month period.

GENERATOR INTERCONNECTION REQUIREMENTS:

The City must approve in writing any subsequent changes in the interconnection configuration before such changes are implemented. Operating in parallel with the City's system without the City's written approval of the interconnection and written approval of any subsequent changes to the interconnection will subject the Customer's equipment to disconnection.

METERING REQUIREMENTS

Metering requirements shall be specified by the City. All metering must be capable of measuring and recording all inflow, outflow, and other parameters necessary under the customer's tariff.

DISTRIBUTION LINE EXTENSION AND/OR EXTRAORDINARY FACILITIES:

The City reserves the right to make special contractual arrangements with Distributed Generation Program customers whose utility service requires an investment in electric facilities as described in the City's Line Extension Policy.

CUSTOMER TERMINATION FROM THE DISTRIBUTED GENERATION PROGRAM:

A participating customer may terminate participation in the City's Distributed Generation Program at any time for any reason on sixty days' notice. If a customer who terminates participation in the Distributed Generation Program wishes to re-enroll, that customer must reapply as a new program participant, subject to program size limitations, application queue and application fees.

The City may terminate a customer from the Distributed Generation Program if the customer fails to maintain the eligibility requirements, fails to comply with the terms of the interconnection and parallel operation agreement, or if the customer's facilities are determined not to follow technical, engineering, or operational requirements suitable for the City's distribution system. The City will provide sixty days' notice to the customer prior to the termination of the Distributed Generation Program, except in situations the City deems dangerous or hazardous. Such notice will include the reason(s) for termination.

TERMINATION OF THE DISTRIBUTED GENERATION PROGRAM:

City termination of the Distributed Generation Program may occur upon approval of the Charlevoix City Council. Upon customer termination from the Distributed Generation Program, any Outflow credits will be applied to the final bill. Renewable Credits are non-transferrable.

RENEWABLE ENERGY CREDITS:

Renewable Energy Credits (RECs) are owned by the customer. The City may enter into a separate agreement with the customer for the purchase of RECs.
Draft

APPENDIX A

CATEGORY 1 – NET BILLING

Under the Net Billing metering and billing scenario, the Customer is billed on all Inflow at the applicable retail tariff. The City credits the Customer for all Outflow at the avoided cost. Net Billing requires a single bi-directional meter with dual registers to separately record Inflows and Outflows.

APPENDIX B

CATEGORY 2 – BUY ALL SELL ALL

Under the Buy All Sell All metering and billing scenario the Customer is billed for their total electric consumption under the applicable retail tariff. The City purchases all of the solar energy at the City's avoided cost. Buy All Sell All requires two meters.

Distributed Energy Resources (DER)
Interconnection Study Agreement

THIS AGREEMENT is made and entered into this _______day of _______________20__ by and between ____________________________and _________________________organized and existing under the laws of the State of _____________________, ("Interconnection Customer"), and the City of Charlevoix, a Municipal corporation existing under the laws of the State of Michigan, ("City"). Interconnection Customer and City each may be referred to as a "party", or collectively as the "Parties".

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Distributed Energy Resource (DER), or generating capacity addition to an existing DER, consistent with the Interconnection Application Form submitted by the Interconnection Customer, signed and dated on _______________, 20__ ; and,

WHEREAS, the Interconnection Customer desires to interconnect the DER with the City's electric distribution system; and,

WHEREAS, the Interconnection Customer has requested the City to perform a DER Interconnection Study which includes: 1) a system impact study to assess the impact of interconnecting the DER with the City's electric distribution system; and 2) a subsequent facility study to identify the necessary distribution system modifications, and associated costs, required to accommodate the interconnection.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1. The Interconnection Customer elects, and the City shall cause to be performed a DER Interconnection Study consistent with industry standards and good utility practices.

2. The DER Interconnection Study will be based upon the technical information within the Interconnection Application provided by the Interconnection Customer. The City reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary and consistent with industry standards and good utility practices during the DER Interconnection Study.

3. The DER Interconnection Study, as necessary, may consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker analysis, protection and set point coordination analysis, and grounding reviews. The study shall state the assumptions upon which it is based, state the results of the analyses, and identify the necessary distribution system modifications, and associated costs, required to accommodate the interconnection. The cost identified in the study are non-binding good faith estimates.

4. If the City uses a queuing procedure for sorting or prioritizing DER interconnection projects and their associated cost responsibilities for any required distribution system modifications, the DER Interconnection Study shall consider all DER that, on the date the study is commenced:

    a. Are directly interconnected with the City's electric distribution system; and,

b. Have a pending higher queued Interconnection Application to interconnect with the City's electric distribution system.

5. The City shall provide the results of the DER Interconnection Study to the Interconnection Customer in the form of a formal report sealed by a Professional Engineer licensed by the State of Michigan.

6. **Deposit.** A deposit equal to the good faith estimated cost of a DER Interconnection Study shall be required from the Interconnection Customer when the signed Agreement is provided to the City. If the deposit exceeds the study costs, the City shall refund such excess within 20 business days of receiving the final study invoice without interest. Any study costs that exceed the deposit will be invoiced to the Interconnection Customer within 20 business days after the study is delivered. The Interconnection Customer must pay any study costs that exceed the deposit without interest within 20 business days of receipt of the invoice.

7. **Governing Laws.** This Agreement shall be interpreted, governed, and constructed under the laws of the State of Michigan.

8. **Amendment.** The Parties may amend this Agreement by a written instrument duly executed by both Parties.

9. **No Third-Party beneficiaries.** This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, there assigns.

10. **Waiver.** The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

    Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customers' legal rights to obtain and interconnection from the City. Any waiver of this Agreement shall, if requested, be provided in writing.

11. **Subcontractors.** Nothing in this Agreement shall prevent either Party from utilizing the services of any subcontractor as it deems appropriate to perform it's obligations under this Agreement; provided, however, that each party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain liable to the other Party for the performance of such subcontractor.

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the City be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12. **Breach and Default.** A breach of this Agreement ("Breach") shall occur upon the failure of a Party to perform or observe any material term or condition of this Agreement. Upon a Breach by one Party, the non-breaching Party shall give written notice of such Breach to the Breaching Party. The Party in Breach shall have 30 days from the date of the written notice to cure the Breach. If a Breach is not cured within the 30-day period provided for herein, the Party in Breach shall be deemed in default ("Default"). The non-defaulting Party shall then have the right to terminate this Agreement by written notice, shall be relieved of any further obligations hereunder, and may pursue any and all remedies available to it at law or in equity.

13. **Assignment and Binding Effect.** This Agreement shall not be assigned by a Party without the prior written consent of the other Party. Any attempt to do so will be void. Subject to the proceeding, this agreement is binding upon, inures to the benefits of, and is enforceable by the Parties and their respective successors and assigns. The Interconnection Customer agrees to notify the City in writing upon the sale or transfer of the DER facilities. This Agreement shall terminate upon such notices unless the City consents to an assignment.

14. **Terms of Agreement and Termination.** This Agreement shall become effective upon the execution by all Parties, and it shall continue in full force and effect until terminated upon thirty (30) days' prior notice by either Party if the Agreement is terminated: (1) pursuant to Section 12, (2) upon mutual agreement of the Parties, or (3) upon a change in ownership of the DER facility, absent a valid assignment under Section 13. In the event of termination, the Interconnection Customer shall pay City for all DER Interconnection Study costs rendered to the date of termination.

15. **Severability.** If any of this Agreement is determined to be partially or wholly invalid, illegal, or unenforceable, then such provision shall be deemed to be modified or restricted to the extent necessary to make such provision valid, binding, and enforceable; or, if such provision cannot be modified or restricted in a manner so as to make such provision valid, binding or enforceable, then such provision shall be deemed to be excised from this Agreement and the validity, binding effect, and enforceability of the remaining provisions of this Agreement shall not be affected or impaired in any manner.

16. **Notice.** Any notice required under this Agreement shall be in writing and mailed emailed, or personally delivered to the Party at the address below. Personal notices are effective upon delivery, or within 3

business days of depositing the notice in the United States mail with the first-class postage. Written notice of any address changes shall be provided. All written notices shall be directed as follows:

Notice to City	Notice to Interconnection Customer
City of Charlevoix	______________________________
Attn Electric Department Director	Attn __________________________
210 State Street	______________________________
Charlevoix MI 49720	______________________________
Tel. (231) 547-3273	Tel. ___________________________

17. Entire Agreement. This Agreement supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof and constitutes the entire agreement between parties hereto.

IN WITNESS THEREOF, the Parties have caused the Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

City of Charlevoix

Signature ____
Printed Name ____
Date ________________________

Interconnection Customer

Signature ____
(authorized Agent of the Legal Entity)
Printed Name ____
Date ________________________

CITY OF CHARLEVOIX
210 State Street
Charlevoix, MI 49720
231-547-3270

Distributed Energy Resource (DER)
Interconnection Application Form

All Interconnection Customer requests to interconnect a Distributed Energy Resource (DER) with the City of Charlevoix electric distribution system, must complete and submit this Interconnection Application Form to the City along with a $100 non-refundable Processing Fee. Each proposed DER interconnection requires a separate Interconnection Application Form and Processing Fee.

Following the receipt of the Interconnection Application Form and Processing Fee, the City will determine if the application is complete. If not complete, the City will return the Interconnection Application Form to the applicant, indicating which additional items are needed to process the application. Based on the proposed DER size, type, and interconnection location with the electric distribution system, the City will determine if the application will proceed to a Fast Track process or a System Impact Study process. Engineering study fees may apply.

If the Interconnection Application Form is submitted solely due to a transfer of ownership or change of control of the DER facility, the Interconnection Customer shall submit a $_____ processing fee.

I. Interconnection Customer Information

Legal Name of the Interconnection Customer (*or, if an individual, individual's name*)

Name: ____

Contact Name: ____

Title: ____

E-mail Address: ____

Mailing Address: ____

City: ____________________ State: ________________ Zip: __________

Telephone (Day): ____________________ (Evening): ____________________

Facility Location (*if different from above*)

Mailing Address: ____

City: ____________________ State: ________________ Zip: __________

Alternative Contact Information/Owner/Lessor (*if different from the Interconnection Customer*)

Contact Name: ____

Title: ____

Company: ____

E-mail Address: ____

Mailing Address: ____

City: ______________________________ State: _______________________ Zip: ______________

Telephone (Day): ______________________________ (Evening): ___________________________

Application is for:

- ☐ New DER Facility interconnection
- ☐ Capacity change to a proposed or existing DER Facility
- ☐ Change of ownership of a proposed or existing DER Facility to a new legal entity
- ☐ Change of control of a proposed or existing DER Facility of the existing legal entity

If capacity addition to an existing DER Facility, please describe: ___________________________

____

____

____

Will the DER interconnection be used for any of the following?

Distributed Generation Program – Category 1	☐ Yes	☐ No
Distributed Generation Program – Category 2	☐ Yes	☐ No
Other Purchase Power Agreement - Reserved		

***STOP**: Continue with Sections II and III for a new DER interconnection or a capacity change to a proposed DER interconnection. Otherwise, skip to Section X.*

II. Point of Interconnection Information

Requested point of interconnect: ____

Requested in-service date: ____

For installations at locations with existing electric service to which the proposed DER Facility will interconnect, provide:

Existing account number: ____

Service address: ____

Billing Address (*if different from Service Address*): ____

III. General DER Information

Information applies only to the DER Facility, not the Interconnection Facilities.

Prime Mover:

☐ Photovoltaic (Fixed Axis) ☐ Photovoltaic (Fixed Axis with Storage)

Energy Source:

Renewable

☐ Solar – Photovoltaic

Renewable

☐ Solar – Photovoltaic with Storage

Type of DER: ☐ Synchronous ☐ Induction ☐ DFIG ☐ Inverter-based

Total DER nameplate output rating: _________kW-AC __________kW-DC ________kVAR

Is the DER facility package UL certified? ☐ Yes ☐ No

List components of the DER Facility equipment package that are currently certified:

	Quantity	Equipment Type	Certification
1.			
2.			
3.			
4.			
5.			

STOP*: Continue with Sections IV through IX for a DER facility package that is not UL-1741 certified or has a nameplate output rating greater than 10 kW. Otherwise skip to Section X.*

IV. Load and Export Information

Interconnection Customer or customer-side peak load: _________kW-AC (*state if none*)

Interconnection Customer or customer-side minimum load: ________kW-AC (*state if none*)

Interconnection Customer DER auxiliary load: _______________kW-AC (*state if none*)

Expected reactive load (*if known*):_________kVAR

Maximum export capabilities requested: ____________kW-AC

V. Inverter-Based Solar Facility Characteristics (*if applicable*)

Solar Panel Information

	Quantity	Manufacturer	Model
1.			
2.			
3.			

Individual Photovoltaic Panel

Current at maximum power point (I_{mpp}): _____ Amps

Voltage at maximum power point (V_{mpp}): ______ Volts

Short-circuit current in standard test conditions (I_{sc}): ______ Amps

Open-circuit voltage in standard test conditions (V_{oc}): ______ Volts

Short-circuit current temperature coefficient (α_{sct}): ________ %/°C

Open-circuit voltage temperature coefficient (β_{oct}): ________ %/°C

Normal operating cell temperature (NOCT): ____ °C

Reference ambient temperature (T_a ref): ___ °C

Standard test condition temperature (T_{stc}): ____ °C

Standard test condition irradiance (G_{stc}): ______ W/m^2

Total Photovoltaic Array

☐ Fixed Tilt Array ☐ Single Axis Tracking Array ☐ Double Axis Tracking Array

Number of photovoltaic panels in series (N_s): _______

Number of photo voltaic panels in parallel (N_p): _______

DC voltage of array: ________ Volts-DC

Rated power of array: _______ kW-DC

Inverter Information

Quantity	Manufacturer	Model	Standard
_______	______________________________	_________________	___________________

☐ Single-phase ☐ Three-phase

☐ Line-commutated ☐ Self-commutated

Efficiency: _______%

Internal losses: ______W

AC side inverter rating: _______ kVA

AC side active power rating: ______ kW

AC side reactive power rating: ______ kVAR

AC side minimum power factor rating: +/-______ %

Short-circuit fault contribution: ______A

Harmonic content: ____

DC side rated voltage (Vdc): _____ Volts

DC side capacitor (Cdc): ☐ No ☐ Yes ________ µF

Internal Coupling Element: ☐ No ☐ Yes

Internal coupling resistance (R): _______ Ω

Internal coupling inductance (L): _______ H

VI. Inverter-Based Battery Energy Storage Characteristics (*if applicable*)

Battery Module and Battery Management System

Rated Storage Energy: ______________ kWh

Maximum Charging Power: _____________ kW

Maximum Discharging Power: ______________ kW

Charge Efficiency (DC Side): _________ %

Discharge Efficiency (DC Side): _________ %

Idling Active Losses: __________W

Idling Active Losses: __________var

Energy Storage Controls:

☐ No Monitoring	☐ Volt-Var	☐ Max Generation Level
☐ Power Monitoring	☐ Volt-Watt	☐ Max Charging Level
☐ DER Monitoring	☐ Watt-Power Factor	☐ Adjust Power Factor

Summary of control mode and properties on how the battery will be charged and discharged:

____

____

Inverter Information

Quantity	Manufacturer	Model	Standard
_______	____________________________	________________	__________________

☐ Single-phase ☐ Three-phase

☐ Line-commutated ☐ Self-commutated

Efficiency: _______%

Internal losses: ______W

AC side inverter rating: ______ kVA

AC side active power rating: ______ kW

AC side reactive power rating: ______ kVAR

AC side minimum power factor rating: +/-______ %

Short-circuit fault contribution: ______A

Harmonic content: ____

DC side rated voltage (Vdc): _____ Volts

DC side capacitor (Cdc): ☐ No ☐ Yes ________ µF

Internal Coupling Element: ☐ No ☐ Yes

Internal coupling resistance (R): _______ Ω

Internal coupling inductance (L): ______ H

VII. Rotating Machine Facility Characteristics (*if applicable*)

Synchronous Machines

Equivalent MVA base: ________MVA

Field voltage: _____Volts

Field amperage: _____Amps

Direct axis synchronous reactance, X_d: ______p.u.

Direct axis transient reactance, $X'_{d:}$ _____p.u.

Direct axis subtransient reactance, X''_d: ______p.u.

Negative sequence reactance, X_2: _____p.u.

Zero sequence reactance, X_0: ______p.u.

Induction Machines

Motoring power: _______ kW

Equivalent MVA base: ________MVA

I^2t or K (Heating time constant): _________

Rotor resistance, R_r: __________p.u.

Stator resistance, R_s: _________p.u.

Rotor reactance, X_r: __________p.u.

Stator reactance, X_s: _________p.u.

Magnetizing reactance, X_m: __________p.u.

Short current reactance, X_d: __________p.u.

Exciting current: ________ Amps

Required reactive power (No load): _________ kVAR

Required reactive power (Full Load): __________kVAR

Total rotating inertia, H: ________ p.u.

VIII. Interconnection Facilities Information *(if applicable)*

Will more than one transformer be used between the DER and the point of common coupling?

☐ Yes ☐ No

(If yes, provide the below information for each transformer. The number of transformers must match the one-line diagram and transformer specification sheets.)

Will the transformer be provided by the Interconnection Customer? ☐ Yes ☐ No

Transformer Data (*if supplied and Owned by Interconnection Customer*)

☐ Single-Phase ☐ Three-Phase

Size: ________ kVA

Impedance: ______ %

For three-phase transformers:

Primary Winding Voltage: ____ Volts

☐ Delta ☐ Wye, grounded neutral (City Standard) ☐ Wye, floating neutral

Secondary Winding Voltage: ___ Volts

☐ Delta ☐ Wye, grounded neutral (City Standard) ☐ Wye, floating neutral

Tertiary Delta Winding? ☐ Yes ☐ No

Transformer fuse data (*if applicable*)

Manufacturer: ________________ Type: ____________ Size: ____________ Speed: __________

IX. Additional Information

One-Line Diagram

Enclose site electrical one-line diagram showing the configuration of all DER Facility equipment, current and potential circuits, and protection and control schemes.

- Include the project owner's name, project name, project address, model numbers and nameplate sizes of equipment, including number and nameplate electrical size information for solar panels, inverters, wind turbines, disconnect switches, latitude and longitude of the project location, and tilt angle and orientation of the photovoltaic array for solar projects.
- Depict the metering arrangement required whether installed on the customer side of an existing meter or directly connected to the grid through a new or separate delivery point requiring a separate meter.
- List of adjustable set points for the protective equipment or software should be included on the electrical one-line diagram.
- Signed and sealed by a licensed Professional Engineer if the DER Facility is greater than 150 kW.

Is one-line diagram enclosed? ☐ Yes ☐ No

Site Plan

Enclose site plan showing the physical location of the proposed DER and point of interconnection with the utility.

- Indicate the latitude and longitude coordinates.
- Overlay on an aerial map.
- Included the proposed location of protective interface equipment on property.

Is a site plan enclosed? ☐ Yes ☐ No

Equipment Specifications

Include equipment specification information (product literature) for the solar panels and inverter(s) that provides technical information and certification information for the equipment to be installed with the application.

Are equipment specifications enclosed? ☐ Yes ☐ No

Protection and Control Schemes

- Enclose copy of any site documentation that describes and details the operation of the protection and control scheme.
- Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (*if applicable*)

Are protection and control documents and schematics enclosed? ☐ Yes ☐ No

X. Applicants Signature

All DER Interconnections must comply with the City's Distributed Energy Resource Technical Standards Manual (TSM).

I hereby certify that, to the best of my knowledge, all the information provided in this DER Interconnection Application Form is true and correct. I also certify that I have received a copy of the City's DER TSM

Interconnection Customer

Signature: ____ Date: __________________________
(Authorized Agent of the Legal Entity)

Printed Name: ____

CITY OF CHARLEVOIX
210 State Street
Charlevoix, MI 49720
231-547-3270

Distributed Energy Resource (DER)
Interconnection and Operating Agreement

THIS AGREEMENT is made and entered into this _______ day of __________________________ 20_____ by and between _______________________________________ and ____________________________ organized and existing under the laws of the State of __________________, ("Interconnection Customer"), and the City of Charlevoix, a Municipal corporation existing under the laws of the State of Michigan, ("City"). Interconnection Customer and City each may be referred to as a "Party", or collectively as the "Parties".

RECITALS

WHEREAS, the Interconnection Customer is in good standing with the City; and,

WHEREAS, the Interconnection Customer desires to interconnect and operate in parallel a Distributed Energy Resource (DER) with the City's electric distribution system; and,

WHEREAS, for the purpose of this Agreement, "interconnection" means establishing an electrical connection between a DER and the City's electric distribution system. "Operate in parallel" means generating electricity from a DER that is electrically connected to the City's electric distribution system; and,

WHEREAS, the interconnection of the DER with the City's electric distribution system is subject to this Agreement, the corresponding Interconnection Application, the corresponding Interconnection Study Agreement and Interconnection Study Results, Technical Specifications Manual, and other applicable industry standards; and,

WHEREAS, this Agreement does not address any purchase or sale of electricity between the City and the Interconnecting Customer nor does it create any agency, partnership, joint venture or other business arrangement between the City and the Interconnection Customer.

THEREFORE, in consideration of the above recitals, the mutual covenants contained herein and for good and valuable consideration, the Parties agree as follows:

AGREEMENT

1. **DER Interconnection Information**

   A. The DER is built within the following type and ratings which will not be changed without thirty (30) days advance written notice to the City according to the notice requirements herein:

      i. Single or Three Phase Service: _________

      ii. Type of DER System: _________________________

      iii. Nameplate Rating of DER System: __________ kW-AC

      iv. Address of DER System: ____

B. The DER is planned to be ready for parallel operation on or about: __________________

2. Definitions

A. Affected System – Another customer's electric system connected with the City's electric distribution system, another DER connected with the City's electric distribution system, the Transmission System, or Transmission System connected generation which may be affected by the proposed DER interconnection.

B. Emergency Condition – A condition or situation that is imminently likely to endanger life or property, cause a material adverse effect on the security of the City's electric distribution system or Affected System, cause damage to the City's electric distribution system or Affected System, or cause damage to the Interconnected Customer's DER or electric system.

C. Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practices is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

D. Interconnection Facilities **–** Collectively, Interconnection Facilities include all facilities and equipment between the DER and City's electric distribution system.

E. Material Modification – A modification to equipment settings, equipment configuration or to the interconnection site of the DER at any time after receiving notification by the City of a complete Interconnection Application that has a material impact on the cost, timing, or design of any Interconnection Facilities or Upgrades, or a material impact on the cost, timing or design of any subsequent Interconnection Application, or the safety or reliability of the City's electric distribution system.

F. Point of Common Coupling – The point where the Interconnection Facilities connect with the City's electric distribution system.

G. Transmission System **–** The facilities owned, leased, controlled or operated by the transmission provider or owner that are used to provide transmission services to the City.

H. Upgrades – The required additions and modifications to the City's electric distribution system or Transmission System. Upgrades do not include Interconnection Facilities.

3. Scope and Limitations of Agreement

A. This Agreement is intended to provide for the Interconnection Customer to interconnect at the PCC and operate a Distributed Energy Resource (DER) in parallel with the City's electric distribution system of the type, nameplate rating and location as described in Section 1.

B. This Agreement governs the terms and conditions under which the Interconnection Customer's DER will interconnect with, and operate in parallel with, the City's electric distribution system.

C. This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's energy. The purchase or delivery of energy and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for the delivery of electric energy to the City.

D. Nothing in this Agreement is intended to affect any other agreement between the City and the Interconnection Customer.

E. Responsibilities of the Parties

    i. The Parties shall perform all obligations of this Agreement in accordance with the DER Technical Specifications Manual, all Applicable Laws and Regulations, Applicable Industry Standards, and Good Utility Practices.

    ii. The Interconnection Customer shall construct, interconnect, operate and maintain its DER and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule and, in accordance with this Agreement, and with Good Utility Practices.

    iii. The City shall construct, operate, and maintain its electric distribution system and its Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.

    iv. The Interconnection Customer agrees to construct its facilities or systems in accordance with the DER Technical Standards and this Agreement; including, applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its DER so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the City's electric distribution system and any Affected Systems.

    v. Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now owns or subsequently owns. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the Point of Common Coupling (PCC). The City and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the City's electric distribution system, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated at the PCC.

    vi. The City shall coordinate with all Affected Systems to support the interconnection.

F. Parallel Operation Obligations

Once the DER has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the DER as identified by this Agreement and by the DER Technical Specifications Manual.

G. Metering

The Interconnection Customer shall be responsible for the City's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry standards.

H. DER Capabilities and Electric Distribution System Reliability

i. The DER Technical Specifications Manual outlines the Parties responsibilities consistent with IEEE 1547 Standard for Interconnection and Interoperability of Distributed Energy Resources with Associated Electric Power Systems Interfaces which provides requirements relevant to the interconnection and interoperability performance, operation and testing, and, to safety, maintenance and security considerations.

ii. The City may offer the Interconnection Customer the option to utilize required DER capabilities to mitigate Interconnection Customer costs related to Upgrades or Interconnection Facilities to address anticipated system impacts from the engineering review.

4. **Inspection, Testing, Authorization, and Right of Access**

A. Equipment Testing and Inspection

The Interconnection Customer shall test and inspect its DER and Interconnection Facilities prior to interconnection pursuant to the DER Technical Specifications Manual and this Agreement.

B. Authorization Required Prior to Parallel Operation

The City shall make reasonable efforts to list applicable parallel operation requirements by attaching the DER Interconnection Technical Requirements to this Agreement. Additionally, the City shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Interconnection Customer shall not operate its DER in parallel with the City's electric distribution system without prior written authorization of the City.

C. Right of Access

i. Upon reasonable notice, the City may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the DER first produces energy to inspect the interconnection and observe the commissioning of the DER (including any required testing), startup, and operation for a period of up to three (3) business days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the City at least five (5) business days prior to conducting any on-site verification testing of the DER.

ii. Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the City shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

iii. Each Party shall be responsible for its costs associated with following this article as outlined in the DER Technical Specifications Manual.

5. **Effective Date, Term, Termination, and Disconnection**

A. This Agreement shall become effective upon execution by the Parties on the Effective Date and shall remain in effect from the Effective Date unless terminated earlier in accordance with this Agreement.

B. No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

C. Either Party may terminate this Agreement at any time by giving the other Party ninety (90) business day written notice.

D. Either Party may terminate this Agreement upon the Default of the other Party.

E. Upon termination of this Agreement, the DER will be disconnected from the City's electric distribution system. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default, or such non-terminating Party otherwise is responsible for these costs.

F. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

G. The provisions of this article shall survive termination or expiration of this Agreement.

H. Temporary disconnections shall continue only for so long as reasonably necessary under Good Utility Practices.

i. Under Emergency Conditions, the City may immediately suspend interconnection service and temporarily disconnect the DER. The City shall make reasonable efforts to notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the DER. The Interconnection Customer shall use reasonable efforts to notify the City promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the City's electric distribution system or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

ii. The City may interrupt interconnection service or curtail the output of the DER and temporarily disconnect the DER from the City's electric distribution system when necessary for routine maintenance, construction, or repairs on the City's electric distribution system. The City shall use reasonable efforts to provide the Interconnection Customer with three (3) business day notice prior to such interruption. The City shall make reasonable efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

iii. During any forced outage, the City may suspend interconnection service to effect immediate repairs on the City's electric distribution system. The City shall make reasonable efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the City shall, upon request, provide the Interconnection Customer with written documentation after the fact explaining the circumstances of the disconnection.

iv. The City shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practices, operation of the DER may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the DER could cause damage to the City's electric distribution system or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating condition in the timeframe in the notice, the City may disconnect the DER. The City shall provide the Interconnection Customer with a five (5) business day written notification of such disconnection unless the disconnection is due to Emergency Conditions.

v. The Interconnection Customer must receive written authorization from the City before making any change to the DER that may have a material impact on the safety or reliability of the City's electric distribution system. Such authorization shall not be unreasonably withheld if the modification is not a Material Modification. Material Modifications, including an increase nameplate rating or capacity, may require the Interconnection Customer to submit a new Interconnection Application. If the Interconnection Customer makes such modification without the City's prior written authorization, the latter shall have the right to temporarily disconnect the DER.

vi. The Parties shall cooperate with each other to restore the DER, Interconnection Facilities, and the City's electric distribution system to their normal operating state as soon as reasonably practicable following a temporary disconnection.

vii. If the Interconnection Customer receives retail electrical service at the same site as the DER, it may also be disconnected consistent with the rules and practices for disconnecting other retail electrical customers.

viii. If the Interconnection Customer is in Default, it may be disconnected after a sixty (60) day written notice is provided and the Default is not cured during this 60-day notice. This provision does not apply to disconnection based on Emergency Conditions.

6. **Cost Responsibility for Interconnection Facilities and Distribution Upgrades**

A. The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in the DER Interconnection Study performed by the City. The City shall provide a good faith cost estimate, including overhead, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the City.

B. The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overhead, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the City's Interconnection Facilities.

C. The City shall design, procure, construct, install, and own the distribution Upgrades. The City shall provide a good faith cost estimate, including overhead, for the purchase and construction of the distribution Upgrades and provide a detailed itemization of such costs. If the City and the Interconnection Customer agree, the Interconnection Customer may construct distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the distribution Upgrades, including overhead costs, shall be directly assigned to the Interconnection Customer.

7. **Billing, Payment, Milestones, and Financial Security**

A. The City shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and distribution Upgrades contemplated by this Agreement, and the Interconnection Customer shall pay each bill within thirty (30) days of such bill date.

B. Within eighty (80) business days (approximately 4 calendar months) of completing the construction and installation of the City's Interconnection Facilities and/or distribution Upgrades, City shall provide the Interconnection Customer with a final accounting report.

C. The Parties shall agree on milestones for which each Party is responsible.

D. The Interconnection Customer shall provide the City, at the Interconnection Customer's option, a guarantee, letter of credit or other form of security that is reasonably acceptable to the City. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the City's Interconnection Facilities and distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the City under this Agreement during its term. In addition:

i. The guarantee must be made by an entity that meets the creditworthiness requirements of the City and contains terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

ii. The letter of credit must be issued by a financial institution or insurer reasonably acceptable to the City and must specify a reasonable expiration date not sooner than sixty (60) business days (three calendar months) after the due date for the issuance of the final bill.

8. **Insurance**

   A. The City may require an Interconnection Customer to purchase insurance.

   B. The City agrees to maintain general liability insurance or self-insurance consistent with the City's commercial practice. Such insurance or self-insurance shall not exclude coverage for the City's liabilities undertaken pursuant to this Agreement.

   C. The Parties further agree to notify each other whenever an accident or incident occurs resulting in injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

   D. Failure of the Interconnection Customer or City to enforce the minimum levels of insurance does not relieve the Interconnection Customer from maintaining such levels of insurance or relieve the Interconnection Customer of any liability.

9. **Governing Laws.** This Agreement shall be interpreted, governed, and construed under the laws of the State of Michigan.

10. **Consequential Damages.** Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

11. **Force Majeure**. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated using Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

12. **Default.** No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. The defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until a cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

13. **Amendment.** The Parties may amend this Agreement by a written instrument duly executed by both Parties.

14. **No Third-Party Beneficiaries.** This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

15. **Waiver.** The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

    Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the City. Any waiver of this Agreement shall, if requested, be provided in writing.

16. **Subcontractors.** Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

    The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the City be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

    The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

17. **Assignment and Binding Effect.** This Agreement shall not be assigned by a Party without the prior written consent of the other Party. Any attempt to do so will be void. Subject to the proceeding, this agreement is binding upon, inures to the benefits of, and is enforceable by the Parties and their respective successors and assigns. The Interconnection Customer agrees to notify the City in writing upon the sale or transfer of the DER facilities. This Agreement shall terminate upon such notice unless the City consents to an assignment.

18. **Terms of Agreement and Termination.** This Agreement shall become effective upon execution by all Parties, and it shall continue in full force and effect until terminated pursuant to Section 5.

19. **Severability.** If any of this Agreement is determined to be partially or wholly invalid, illegal, or unenforceable, then such provision shall be deemed to be modified or restricted to the extend necessary to make such provision valid, binding, and enforceable; or, if such provision cannot be modified or restricted in a manner so as to make such provision valid, binding or enforceable, then such provision shall be deemed to be excised from this Agreement and the validity, binding effect, and enforceability of the remaining provisions of this Agreement shall not be affected or impaired in any manner.

20. **Indemnity and Liability.** Unless caused by the sole negligence or intentional wrongdoing of the other Party, each Party to this Agreement shall at all times assumed all liability for, and shall defend, hold harmless, and to the extent permitted by law, indemnify the other Party and its directors, officers, employees, and agents from, any and all damages, losses, claims, demands, suits, recoveries, costs, legal fees, and expenses: (a) for injury to or death of any person or persons whomsoever occurring on its own system, or (b) for any loss, destruction of or damage to any property of third persons, firms, corporations, or other entities occurring on its own system, including environmental harm or damage, or (c) arising out of or resulting form, either directly or indirectly, its own Interconnection Facilities, or (d) arising out of or resulting from, either directly or indirectly, any electric energy furnished to it hereunder after such energy has been delivered to it by such other Party. The provisions of this Section shall survive termination or expiration of this Agreement. Notwithstanding anything in this Section, or any other provision of this Agreement to the contrary, the City's indemnity obligations under this Section shall be effective if and only to the extent not prohibited by Applicable Law or by Governmental Immunity.

    The provisions of this Section shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.

    Notwithstanding anything in this Section, or any other provision of this Agreement to the contrary, any liability of a Party to the other Party shall be limited to direct actual damages, and all other damages at law or in equity are hereby waived. Under no circumstances shall a Party be liable to the other Party, whether in tort, contract or other basis in law or equity for any special, indirect, punitive, exemplary, or consequential damages, including lost profits. The indemnification obligations and limits on liability in this Section shall continue in full force and effect notwithstanding the expiration or termination of this Agreement, with respect to any event or condition giving rise to an indemnification obligation that occurred prior to such expiration or termination.

21. **Notices.** Any notice required under this Agreement shall be in writing and mailed, emailed, or personally delivered to the Party at the address below. Personal notices in effective upon delivery, or within 3 business days of depositing the notice in the United States mail with first class postage. Written notice of any address changes shall be provided. All written notices shall be directed as follows:

Notice to City	Notice to Interconnection Customer
City of Charlevoix	______________________________
Attn: Electric Department Director	Attn: ________________________
210 State Street	______________________________
Charlevoix, MI 49720	______________________________

Tel. (231) 547-3273 Tel. ____________________________

22. **Entire Agreement.** This Agreement supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof and constitutes the entire agreement between the Parties hereto.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

City of Charlevoix

Signature: ____ Date: __________________________

Printed Name: ____

Interconnection Customer

Signature: ____ Date: __________________________
(Authorized Agent of the Legal Entity)

Printed Name: ____

CITY OF CHARLEVOIX

Distributed Energy Resources (DER)
Fast Track Screening Questions

POI ID:

NO:	SCREENING QUESTION	YES	NO	COMMENTS
1	Are all inverters UL-1741 certified?			
2	Is the DER interface compatible with the utility service voltage?			
3	Does the existing meter have a bi-directional register?			
4	Is the aggregated DER capacity less than the meter or CT size?			
5	Is the secondary cable run less than 100 feet?			
6	Is the aggregated DER capacity less than the transformer kVA rating?			
7	Is the aggregated DER capacity less than 15% of the line section annual peak load?			
8	Is the aggregated DER capacity less than 100% of the line section annual minimum daytime load?			
9	Is the short circuit contribution of the aggregated DER less than 10% of the maximum short circuit current on the distribution feeder?			
10	Does the short circuit contribution of the aggregated DER still allow all protective devices to be less than 87.5% of their short circuit interrupting capability?			
11	Is the DER a solidly grounded neutral source under an island condition with the utility?			

Charlevoix City Council

All Other Actions and Requests

Title: Mayoral Appointments
Date: June 17, 2024

Presented By: Lyle Gennett-Mayor

Background:
Mayor Gennett advised that he plans to appoint the following individuals:

- Cole Oosthuizen to the Recreation Advisory Committee with a term expiring December 2026
- Jill Dipert to the Recreation Advisory Committee with a term expiring December 2024

Recommendation:
Motion to confirm the Mayor's appointment of XXX to the Recreation Advisory Committee with a term expiring December 2026.

Motion to confirm the Mayor's appointment of XXX to the Recreation Advisory Committee with a term expiring December 2024.

Attachments:
1. Cole and Dipert Applications

CITY OF CHARLEVOIX

RECEIVED
MAY 16 2024

CITY OF CHARLEVOIX
VOLUNTEER BOARDS AND COMMITTEES APPLICATION

Thank you for your interest in serving on a volunteer board, commission or committee. The purpose of this form is to provide the Mayor and City Council members with some information about residents considered for appointment. Your application will be kept active for six months and you will be contacted if you are chosen to serve.

- [ ] BOARD OF REVIEW
- [ ] COMPENSATION COMMISSION
- [ ] DDA/MAIN STREET BOARD
- [ ] HISTORIC DISTRICT COMMISSION
- [ ] HOUSING COMMISSION
- [ ] PLANNING COMMISSION
- [x] RECREATION ADVISORY COMMITTEE
- [ ] SHADE TREE & PARK COMMISSION
- [ ] ZONING BOARD OF APPEALS
- [ ] OTHER ____________
- [ ] NO PREFERENCE

PLEASE PRINT

NAME: COLE OOSTHUIZEN

ADDRESS: 314 W HURLBUT ST

HOME PHONE: ____________ CELL PHONE: 630-624-0325

EMAIL: COLE@THECLOCO.COM

ARE YOU A REGISTERED VOTER IN THE CITY? X HOW LONG HAVE YOU LIVED IN THE CITY? 5 YEARS

EDUCATIONAL BACKGROUND: BFA - JAZZ STUDIES @ NORTH CENTRAL COLLEGE

PROFESSIONAL QUALIFICATIONS AND/OR WORK EXPERIENCE:
V.P. OF THE CLOTHING CO

COMMUNITY ACTIVITIES AND/OR OTHER EXPERIENCE:
"

HAVE YOU SERVED ON A BOARD/COMMITTEE OR HELD A CIVIC POSITION IN THE PAST? IF YES, PLEASE EXPLAIN:
YES, R.A.C.

DO YOU FORESEE ANY POTENTIAL CONFLICTS OF INTEREST WHILE EXECUTING THE DUTIES OF THIS POSITION? IF YES, PLEASE EXPLAIN:
NO

REASON(S) YOU WISH TO SERVE:
CONTINUE SERVING THE COMMUNITY

HAVE YOU REVIEWED THE CURRENT MEETING SCHEDULE OF THE BOARD/COMMITTEE AND CAN COMMIT TO REGULAR MEETING ATTENDANCE? ____________

SIGNATURE: [signature] **DATE:** 5/16/24

RETURN APPLICATION TO THE CITY CLERK'S OFFICE: 210 STATE STREET CHARLEVOIX, MI 49720 – EMAIL clerk@charlevoixmi.gov

REV 04.2020

Online Form Submittal: Volunteer Boards and Committees Application

noreply@civicplus.com <noreply@civicplus.com>
Fri 4/12/2024 10:05 AM
To:Sarah Dvoracek <clerk@charlevoixmi.gov>

Volunteer Boards and Committees Application

Thank you for your interest in serving on a volunteer board, commission or committee. The purpose of this form is to provide the Mayor and City Council members with some information about residents considered for appointment. Your application will be kept active for six months and you will be contacted if you are chosen to serve.

Committees and Boards to Apply For	Recreation Advisory Committee
Name	Jill Dipert
Email Address	jill.dipert@gmail.com
Address	13456-7 Stover Rd.
Home Phone	*Field not completed.*
Cell Phone	231-758-2682
Are you a registered voter in the City?	No
How long have you lived in the City?	Township Resident
Educational Background	4 years high school. 2 completed college level.
Professional Qualifications and / or Work Experience	6 years of management experience. Now business owner.
Community Activities and / or Other Experience	Leadership Charlevoix County. Volunteering opportunities such as Candlelight Hikes at Mt. McSauba.
Have you served on a board / committee or held a civic position in the past?	Yes
If yes, please explain.	Served 6 months on Zonta Charlevoix board.
Do you foresee any potential conflicts of interest while executing the duties of this position?	No

Reason(s) You Wish to Serve	Passionate about our community. In particular, big supporter of the recreational activities such as our community beaches, parks, and events held to keep Charlevoix active.
Have you reviewed the current meeting schedule of the board / committee and can commit to regular meeting attendance?	Yes
Electronic Signature Agreement	I agree.
Electronic Signature	Jillian M Dipert
Date	4/12/2024

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Charlevoix City Council

Reports and Communications

Title: City Manager's Comments
Date: June 17, 2024

Presented By:

Background:
A. Venetian Festival Preparations
As has been our practice, I have issued letters to two downtown establishments to permit their use of sidewalk and street space during the 2024 Venetian Festival for alchohol service area assuming we again close Bridge Street during the festival. The Venetian pre-staging meeting is next week and I anticipate the Venetian Festival will make their formal request to the City on July 1.

B. Excess Property Sales
I have two parcels I plan to bring to Council next month for possible sale. One at the end of Hampton Road would make a good addition for either of the adjacent property owners or a smaller single-family building lot. The other parcel appears to be something of an orphan across from the cemetery on Marion Center Road. This one makes most sense to simply abandon since it is already used as part of the business parking lot there. I'll have full details for you in July.
Recommendation:

Attachments:
1. Planning Commission Regular Meeting Minutes 05/13/2024

City of Charlevoix
Planning Commission Regular Meeting Minutes
Monday, May 13, 2024 - 6:00 PM
Council Chambers, 210 State Street, Charlevoix, MI

A. Call to Order/Pledge of Allegiance

The meeting was called to order at 6:04 p.m. by Chair Muladore.

B. Roll Call

Chair:	Jennifer Muladore
Members Present:	Scott Beatty, Sherm Chamberlain, Toni Felter, John Kurtz, Maureen Radke
Members Absent:	Shelley Boehmer
Staff Present:	Jonathan Scheel, Director of Planning and Zoning

C. Inquiry into Potential Conflicts of Interest

D. Approval of Agenda

Motion by Member Chamberlain, seconded by Member Beatty to approve the agenda as presented.

Motion carried by unanimous voice vote.

E. Approval of the Minutes

1. Minutes from April 8, 2024

   Motion by Member Chamberlain, seconded by Member Kurtz to approve the minutes of April 8, 2024, as presented.

   Motion carried by unanimous voice vote.

F. Call for Public Comment Not Related to Agenda Items

G. Public Hearings

1. Public Hearing for Rezone of 800 State Street

   Chair Muladore opened the public hearing and briefly described the public hearing process. Director Scheel presented the application, showing the public notice, the application, and maps of the area. Mr. Scheel presented the Commission the Future Land Use Map and page 93 of the Master Plan which showed that the applicant's property was shown as Commercial Mixed Use and that this was a transitional zone that would permit small businesses, offices and higher density housing. Mr. Scheel then stated that the property is a 7,480 square foot residential lot located on the north~~east~~ west corner of the block zoned Residential 2. The rest of the block is the Catholic Church campus, which includes the church, school, rectory and parking and is zoned Public Facilities. The applicant's property is surrounded by the church parking lot on two sides, single family housing across Garfield St. and a women's shelter across State St. The rest of the neighborhood is zoned Residential 2.

The applicant's representative, Aaron Nordman, then presented the application. Mr. Nordman spoke of how the applicant's plan for an office and meeting space with ties to the church would be a good addition to the church campus and fit in with the neighborhood.

Chair Muladore opened the meeting up for public comment.

Laurie Engstrom-Gaudio, 805 State St., voiced her concerns.

Shirley Gibson voiced her concerns.

Al Pertner, 903 State St., voiced his concerns.

Chair Muladore closed the public comment portion of the public hearing and brought the discussion back to the Commission. There was much discussion of the public's concerns. The discussion centered on all of the possible uses allowed, that many would not be appropriate for the lot in question. There was also the opinion that a single-family home would be the most appropriate use for that particular lot. Chair Muladore then went through the Findings of Fact.

(1) In considering a rezoning application, the Planning Commission and the City Council shall consider the following criteria in making their findings, recommendations and decisions:
(a) Consistency with the goals, policies and future land use map of the Charlevoix Master Plan, including all applicable subarea and corridor studies. If conditions have changed since the Master Plan was adopted, then consistency with recent development trends in the area shall be evaluated;

The Master Plan Future Land Use Map shows this area as the Charlevoix Corridor. The Charlevoix Corridor is transitional zone that permits a mix of commercial, professional and medical offices, residential, and civic, and transitional or temporary spaces that can be used as business incubators. Office uses make compatible neighbors as they tend to keep quiet daytime hours and generate minimal traffic. The proximity to downtown makes this an appropriate area for higher density housing with similar height restrictions as the central business district so it would not be too imposing on the adjacent residential uses.

The Planning Commission concurs.

(b) Whether development under current zoning is impractical or less reasonable than the requested or desired zoning district given factors such as development trends;

As the only single family home on the entire block (not including the church owned home), other uses similar to the church facilities may be reasonable.

The Planning Commission concurs.

(c) Capability of the site's physical, geological, hydrological and other environmental features to accommodate the potential uses allowed in the proposed zoning district;

Not applicable. Standard city lot with all city infrastructure and facilities.

The Planning Commission concurs.

(d) Compatibility of all the potential uses allowed in the proposed zoning district with surrounding uses and zoning in terms of land suitability, impacts on the environment, noise, density, nature of use, traffic impacts, aesthetics, infrastructure, impact on the ability to develop adjacent properties under existing zoning and potential influence on property values;

Many uses in the Commercial Mixed Use Zone District are not compatible with this neighborhood. At this time a single-family home is most reasonable in the Residential 2 Zone District.

Motion by Member Beatty, seconded by Member Radke to deny the rezone based on failure of (D) in the findings of fact.

Yeas: Beatty, Kurtz, Radke, Muladore

Nays: Felter, Chamberlain

Absent: Boehmer

Motion carried.

2. Public Hearing for Mixed Use District Ordinance

Chair Muladore opened the public hearing. Director Scheel presented excerpts of the ordinance language and the maps of the areas affected. Chair Muladore opened up for public comment. Multiple residents complained of not being properly noticed. Other comments included that businesses should not be allowed in residential neighborhoods.

Rick Brandi, 1008 St. James Place, voiced his concerns.

Jim Berlage, 1009 St. James Place, voiced his concerns.

Dennis Halverson, Overlook Drive, voiced his concerns.

Vinny Klooster, 1010 St. James Place, voiced ~~his~~ her concerns.

Chair Muladore closed the public comment section. The Planning Commission then discussed the amount of public notice necessary to be transparent to the citizens of Charlevoix. The Director stated he met the State law requirements by posting the public hearing in the Charlevoix Courier more than the 15-day requirement. The Commission suggested there should be a better way since no one reads the newspaper. The Director reminded the Commissioners that all hearing notices are also posted on the City's website and also are available at the same time as the Commissioners. The Commissioners then requested the Director contact the City Attorney for an opinion as to whether the Director followed State law in his posting and if they could notify above and beyond the state requirements.

Motion by Member Beatty, seconded by Member Chamberlain table this public hearing item to next month, June 10, 2024. Motion carried by unanimous voice vote.

H. New Business

I. Old Business

1. 2024 Priorities and Activities

   Chair Muladore presented the updated Matrix to the Commission. Director Scheel asked if the numbering of the items represented the prioritization. Chair Muladore stated that the items were prioritized under each subheading. Chair Muladore also stated that the Director should have the opportunity to bring any item in front of the Commission when appropriate.

2. Lighting Ordinance

   Discussion was held regarding the proposed second version of the light ordinance. A consensus of the Commission stated they liked the simpler version. Director Scheel stated he will fine tune the ordinance language and bring it back next month.

J. Staff Updates

1. Zoning Administrator's Report

   The Director stated that the first meeting was held between Charlevoix Township and the City with the Housing Readiness Grant. The meeting was very successful, with the City and Township showing a willingness to work together on lighting, US 31 corridor and general infrastructure and zoning issues.

K. Requests For Next Months Agenda or Research Items

L. Adjournment by 8:00 p.m. unless extended by a motion

Chair Muladore adjourned the meeting at 8:04 p.m.

__________________________________ __________________________________

Sarah J. Dvoracek/js City Clerk Jennifer Muladore Chair

Charlevoix City Council
Reports and Communications

Title: Mayor and Council Comments
Date: June 17, 2024

Presented By:

Background:

Recommendation:

Attachments:
None