



MONTANA

DEPARTMENT OF COMMERCE

Community Development Division

Montana Coal Board

Project Administration Manual

DOCCDD@mt.gov

<https://comdev.mt.gov/Boards/Coal>

301 South Park Avenue
PO Box 200523
Helena, Montana 59620-0523

Phone: (406) 841-2770
FAX: (406) 841-2771

CHAPTER I

PROJECT START-UP REQUIREMENTS

I. Overview

This chapter offers background information on the Coal Board (the Board) and summarizes the key considerations and important steps each grantee will need to take to start a successful Coal Board grant award project.

Each grantee can incur reimbursable project costs as of the authorized date of the quarterly Coal Board meeting at which the grant was awarded. Those costs will be eligible for reimbursement once the grantee meets all start-up conditions and executes a contract with the Coal Board. If the grantee fails to meet start-up requirements, a contract is not executed, a grant recipient is unable to comply with the terms and conditions of the contract, or costs incurred are not eligible for Coal Board funding, those costs will be the sole responsibility of the grantee. All biennial Coal Board projects must meet conditions and deadlines as set forth in authorizing legislation for project awards, which may impact the obligation or commitment of Coal Board funds.

In order to execute a contract with the Coal Board, the grantee must submit the following items:

- A revised project budget that is acceptable to all of the funding sources identified. The budget should clearly identify the portion of the project being funded by the Coal Board project grant, as described in the grantee's award letter;
- An updated version of the project implementation schedule to reflect current conditions at the time of contract execution;
- Documentation of firm commitment of funds;
- Compliance with Financial and Accounting Standards;

II. Project Budget

The preliminary project budget submitted in the grant recipient's application must be updated to reflect current conditions at the time of contract execution and will be attached to and incorporated by reference into the contract. At the time the project is ready to enter into a contract, an updated budget narrative explaining the amounts listed for each line item that Coal Board will be paying for, will be required to be submitted. It is important that the preliminary project budget at the time of contract execution is acceptable to all the funding sources identified. When the project is ready to begin the construction phase, the project budget will need to be revised to reflect the actual amount in the construction bid. In the event, that the construction bid is less than the budgeted amount, the construction line items must be revised to reflect the reduced costs. For information on the process to follow in amending the project budget after the contract has been executed, see Chapter 2.

If there are any savings upon completion of the project, the Department reserves the right to share proportionately in those savings with all funding sources. The Coal Board grant recipient may request to use the difference between the final actual project costs and the original grant award to fund additional work that further enhances the project. However, the Department will not approve the request until the original project is completed or at least close to completion and the total cost

can be determined. The Coal Board grant recipient should submit a written request to use remaining Coal Board funds for the additional work activities, including full rationale and cost details, for Board review and approval. The decision to allow additional work activities to be funded with remaining Coal Board funds is strictly at the sole discretion of the Board.

III. Project Implementation Schedule

The project implementation schedule submitted in the grant recipient's application must be updated to reflect current conditions at the time of contract execution and will be attached to and incorporated by reference into the contract. The final implementation schedule for the Coal Board contract should identify all key tasks and more precisely define, if possible, when each must be accomplished to complete the overall project.

IV. Obtaining Firm Commitment of Other Funding Sources

As a condition of project start-up, the Coal Board grant recipient must provide adequate documentation of the firm commitment of all non-Coal Board funds. This is to prevent a situation where a project is started but cannot be finished, or payment to contractors is delayed because the necessary project funds are not available.

If the Coal Board grant recipient changes one of its sources of funding after receiving the Governor's Award letter, or if the cost of the project increases substantially after obtaining the firm commitment of non-Coal Board funds and additional funding is required from existing or new sources, the Board may, at its sole discretion, withdraw the award to the grant recipient, suspending distribution of Coal Board funds until there is once again a firm commitment of funds for the project.

V. Established Financial Accounting System

Local government and district grantees must be in compliance with the auditing and reporting requirements provided for in Section 2-7-503, MCA, and demonstrate that they have an established financial accounting system in place that conforms to generally accepted accounting principles (GAAP). Tribal governments must comply with auditing and reporting requirements provided for in OMB Circular A-133.

Program staff will confirm whether a grant recipient is in compliance with the auditing and reporting requirements with the Department of Administration, Local Government Services (LGS) Bureau. A grantee can also view information related to their audit and financial status available at any time on the Department of Administration, Local Government Services website at <http://sfsd.mt.gov/LGSB>.

The LGS Bureau services are available at the request of any local government to help the entity comply with statutory financial and budgetary reporting requirements.

VI. Adherence to Design Standards or Generally Accepted Industry Standards

The grant recipient must demonstrate that the proposed project in final design adheres to all design standards required by applicable regulatory agencies. Recipients of program funds for projects that are not subject to any design standards must demonstrate that the final project design complies with generally accepted industry standards.

VI. The Management Plan

Coal Board grant recipients that are administering a public infrastructure or public housing project, must prepare and submit a signed management plan. A sample management plan is included as Exhibit 7. The management plan will establish how the grantee will allocate responsibility for complying with the Coal Board grant and other state requirements, including but not limited to the proper financial management of Coal Board funds, review of contracts and requests for reimbursements, compliance with labor standards, and completion of environmental review. In all cases, the grantee must maintain effective control over and accountability for all funds.

In the management plan, the grantee may designate an existing or new public employee (such as a planning director, public works superintendent, or clerk) as the Coal Board grant manager; hire a consultant to manage the grant through applicable competitive procedures for procurement of services; or contract with another local government or existing special purpose agency, such as an economic development corporation, to manage a grant. If the grantee will work with any other governmental entity or non-profit organization to manage its Coal Board grant, the grantee must execute an agreement establishing the responsibilities and duties between the two agencies. A sample agreement is included as Exhibit 8. All executed contracts or agreements, including those for engineering services or grant services, and documentation of procurement for applicable services, to be paid for in whole or in part by Coal Board funds must be submitted to the Department. Additionally, Coal Board may request a copy of any contract related to project activities.

VII. Environmental Review

Coal Board grants are a state action subject to the Montana Environmental Policy Act (MEPA). MEPA specifies three different levels of environmental review, based on the significance of the potential impacts. The levels are: (1) exempt or categorially excluded from MEPA review; (2) environmental assessment (EA), and (3) environmental impact statement (EIS). For detailed information on MEPA, see *A Guide to the Montana Environmental Policy Act*, or *A Citizen's Guide to Public Participation in Environmental Decision making*, at <https://leg.mt.gov/committees/interim/eqc/montana-environmental-policy-act/>.

At the time of application to the Department, the environmental review process was completed, and documentation of the process was submitted as part of the application. Please be advised that if project activities are modified to the extent that a new environmental review is required, MEPA processes must be followed before additional work can be completed. For additional information, please see the Coal Board website.

VIII. Coal Board Contract

The executed contract between the grantee and the Coal Board is the legal document that governs the administration of the grant, and will identify the following items:

- the total amount of Coal Board funds to be provided;
- the scope of work;
- a preliminary project budget for the use of Coal Board funds and any other funds involved in the project;
- the implementation schedule for the project;
- any special conditions placed on the grant by the Board or Department; and
- the general terms and conditions associated with the grant.

The process of finalizing the contract will include finalizing the project budget and implementation schedule and incorporating the scope of work to be completed by the grantee. The grantee's application for Coal Board grant funds, as approved by the Coal Board, is incorporated by reference into the contract and the representations made therein are binding upon the Grantee.

The Commerce project liaison will contact the grantee to confirm contract signers and additional contacts before routing the contract electronically through DocuSign.com.

CHAPTER 2

PROJECT MANAGEMENT

I. Overview

This chapter provides information about the management of the project including project administration, budget amendments, scope changes, expenses eligible for reimbursement, ineligible expenses, and what is required to receive your Coal Board funds.

Each grantee is required to comply with all applicable local, state, and federal laws of regulations throughout the project. This includes adherence to all applicable design standards, environmental mitigation requirements, and building codes. Therefore, a copy of all applicable permits that are obtained for the project must be submitted to the Department prior to commencing construction activities.

II. Project Lifespan

For Coal Board construction projects, construction activities must be completed as identified in the project's implementation schedule and the executed contract with the Coal Board. The Board, in its sole discretion, may grant an extension to the scheduled date if the project is near completion, and the grant recipient can demonstrate a good faith effort to complete the project on time and within the original budget.

III. Project Amendment

At some point during the project, the grantee may need to modify the scope, budget, or implementation schedule for the project. The following process should be followed for accomplishing such modifications:

a. Budget

Modifications to the budget of less than \$5,000 to any one-line item of the budget can be submitted as part of the grantee's request for reimbursement request, and Department of Commerce approval of the request for reimbursement will constitute approval of the modification.

For budget amendments of \$5,000 or more to any one line item of the budget, or when the sum of budget adjustments for the project exceeds \$5,000, the Coal Board grantee must provide a written justification to the Board that clearly demonstrates the appropriateness and necessity of the modification. The Board must agree in writing to any significant changes in the budget before such changes may be implemented by the grantee.

Any budget adjustments made during the project should be listed and tracked throughout the project.

The Coal Board grant recipient may request to use the difference between the final actual project costs and the original grant award to fund additional work that further enhance a project. The Coal Board grant recipient should submit a written request to use remaining Coal Board funds for the additional work activities, including full rationale and cost details, for Board review and approval. The decision to allow additional work activities to be funded with remaining Coal Board funds is strictly at the sole discretion of the Board.

b. Implementation Schedule

The grantee may modify the implementation schedule as necessary to reflect the timeline being followed as the project moves forward, so long as the project's completion date as listed in the executed contract is met. The grantee should submit details regarding any changes to the schedule as part of the grantee's next request for reimbursement, and Department approval of the request for reimbursement will constitute approval of the modification.

If the grantee seeks to extend the completion date of its Coal Board project beyond the date designated in the executed contract and implementation schedule, the grantee must request and receive Coal Board approval.

c. Scope of Work

If the grantee seeks to change any part of the scope of work of the project, as identified in the contract with the Board, the grantee must first provide a written justification to the Board that clearly demonstrates the appropriateness and necessity of the modification.

The Department or Board, in their sole discretion, may grant a modification to the project scope of work that does not materially alter the intent or circumstances under which the project was approved for funding.

IV. Eligible and Ineligible Project Expenses

Expenses eligible for Coal Board funding include, but are not limited to:

- Expenses that directly relate to project activities that implement the scope of work identified in the Coal Board contract;
- Professional services that directly relate to design activities that implement the scope of work identified in the Coal Board contract;
- Repayment of interim financing directly related to project activities that implement the scope of work identified in the Coal Board contract;

Expenses that are **not eligible** for Coal Board funding include but are not limited to:

- Costs related to refinancing, servicing, or interest on any existing debt;
- Any unauthorized costs incurred prior to the date identified in the Notice of Award letter; and
- Privately owned service lines.

V. Requests for Reimbursement and Progress Reports

a. Project Requests for Reimbursement

Prior to the first draw request, the following documentation is required:

- Documentation of the firm commitment of other funding sources for the Coal Board project, including adequate documentation if necessary. Acceptable documentation could include a letter assuring the Department that the funding is available in the Grant recipient's budget, an award letter from another grant program, a commitment letter from private donors or trusts, etc.
- Completed and notarized Signature Certification Form for those individuals to be authorized to process and approve requests for grant funds.
- Completed Designation of Depository for Direct Deposit of Coal Board Funds.
- Certificate of liability insurance as required and described in the Commerce contract; and
- Proof of the Grant Recipient's Worker's Compensation Insurance (for more information, refer to the Commerce contract).

Grantees initiate a request for Coal Board funds by preparing and submitting the Request for Reimbursement Form. The grantee can only be reimbursed for project-related, actual costs that have been incurred, and must provide adequate and sufficient documentation supporting each claim for expenses to be reimbursed. Itemized invoices, for the contractor, any subcontractors, consultants, and vendors or suppliers, typically constitute adequate and sufficient documentation for reimbursable expenses, the invoice must include:

- a description of work performed,
- the number of hours worked to accomplish each item,
- the amount being billed for each item;
- work performed date(s) and work items completed, if upon request from Coal Board
- beginning and ending billing period dates;
- a description of any other eligible expenses incurred during the billing period; and
- the total amount being billed.

Lump-sum contracts typically do not provide for adequate and sufficient documentation for reimbursement of project expenses with Coal Board funds and they are generally not allowed for design and construction engineering services. Cost plus or 'multiplier' contracts and expenses are not allowable on Coal Board projects.

If budget modifications are found to be necessary while preparing a draw request, Commerce staff should be notified of the modification prior to the draw being submitted. Please work closely with your project liaison regarding budget modifications.

The Board may retain two percent (2%) of the total authorized grant amount until:

- the project has been completed (certificate of Substantial Completion)
- Final closeout report has been submitted by grantee and approved by the Department.

See Exhibit I and the Coal Board website for the Request for Reimbursement Form.

Project Progress Reports and Photos

Each request for funds must be accompanied by a Project Progress Report, which could be in the form of a document, emailed project update, and/or photographs of the project. There is no specific format of the progress report. In the absence of a draw request regularly submitted, a Project Progress Report should be submitted every 90 days as a project update on activities occurring on the project. Project progress reports can also be provided by the grantee in person at the regularly scheduled quarterly Coal Board meeting. In the project report, the grantee may describe the status of all activities in the scope of work, including: the percentage complete, costs incurred, funds remaining, projected completion date, any significant problems encountered in carrying out the Project and the scope of any necessary modifications the grantee is requesting in the scope of work, budget, or implementation schedule.

Project photos are encouraged to be submitted to the Board at the beginning of the project and at the completion of the project. Photos should evidence the improvements made with Coal Board funds.

b. Uniform Status of Funds Form and Invoice Tracking Spreadsheet

Draw requests for all project types (construction, equipment, planning) for Coal Board funds must also be accompanied by an updated Uniform Invoice Tracking Spreadsheet. The Uniform Invoice Tracking Spreadsheet provides the Board updated information on all cumulative invoices received and paid for on the project, broken out by all funding sources involved in the project.

For construction projects, a Uniform Status of Funds Form is also required. This form provides the Board updated information on the remaining budget for the project and the status of all funding sources involved in the project.

VI. Accounting and Auditing Requirements

Coal Board local government and district grantees must maintain all receipts and expenditures of Coal Board grant funds in accordance with generally accepted accounting principles (GAAP) and be in compliance with the auditing requirements of Section 2-7-503, MCA, as provided for in Section 20-9-213, MCA. Coal Board tribal government grantees must maintain all receipts and expenditures of Coal Board grant funds in accordance with the requirements provided for in OMB Circular A-133.

VII. Records Creation and Retention

The grantee must create and maintain all records of project activities funded with Coal Board grant funds, including but not limited to financial records, supporting documents, and such other records as are required by law or other authority, for five (5) years after either the completion of the project or the conclusion of any claim, litigation, or exception relating to the project taken by the State of Montana or any third party, whichever is later. The grantee must provide the Department, the Legislative Auditor, or their agents access to all project records upon request.

VIII. Ethics and Code of Conduct

Sections 2-2-12, 2-2-201, 7-3-4256, 7-3-4367, 7-5-2106, and 7-5-4109, MCA, govern the code of conduct and conflicts of interest by all local governmental entities and public employees, including elected officials, district board members, and district employees. These laws must always be followed by Coal Board grant recipients, regardless of their participation in the Coal Board grant program.

IX. Procurement Procedures

Title 7, Chapter 5, Parts 23 and 43, MCA govern the procurement of construction and purchasing contracts by Coal Board local government and district grantees. Tribal governments are subject to their own tribal procurement laws. These laws must always be followed by these entities, regardless of their participation in the Coal Board grant program.

Coal Board grantees should be prepared to provide information to the Department about how they intend to procure or procured grant administration, professional services and construction services in accordance with the procurement laws applicable to them, including but not limited to the list of vendors to be or that were solicited, a copy of any advertisements, a copy of the request for proposals, or the information detailing the scope of work if price is the only consideration.

X. Public Notice and Participation

Sections 8 and 9 of Article II of the Montana Constitution, and Sections 2-3-101, 2-3-201, and Title 7, MCA, require Coal Board local governments and district grantees to hold regular and special public meetings, provide public notice of those meetings, and allow the public the opportunity to participate in the grantee's decision-making process. These laws must always be followed by Coal Board local governments and district grantees, regardless of their participation in the Coal Board grant program. Grantees should be prepared to provide information to the Department about the public process for its Coal Board project, including but not limited to a copy of public meeting agendas and any comments submitted by the public and responses provided during administration of the project.

All press releases related to the Coal Board project must be submitted to the Department for review and approval prior to release.

XI. Non-Discrimination Laws

Coal Board grantees must fully comply with all applicable federal, state, or local non-discrimination laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, the Patient Protection and Affordable Care Act ("ACA"), and Section 504 of the Rehabilitation Act of 1973, in performing any project or portion thereof using Coal Board funds. All subcontractors performing work on the project are subject to the same provision. The hiring of all persons to perform work on the project must be made based on merit and qualifications, and the district shall not discriminate based upon the race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin of the persons performing the project.

XII. Prevailing Wage Requirements

Montana's Prevailing Wage Act (Section 18-2-401, et seq., MCA) applies to all public works contracts let by Coal Board local government and district grantees (all construction contracts and non-construction contracts in excess of \$25,000). These laws must always be followed by Coal Board local government and district grantees, regardless of their participation in the Coal Board grant program. Grantees should be prepared to document the payment of prevailing wages in all applicable contracts related to the Coal Board project.

XIII. Project Monitoring

Recipients of Coal Board funding are responsible for administering their Coal Board projects in accordance with all applicable local, state and federal laws. The Board has the responsibility to assist and support grantees in successfully implementing their project activities from start-up through closeout of the project in compliance with these requirements.

To accomplish these goals, in addition to reviewing information submitted with progress reports and requests for Coal Board funds, the Board or Department may schedule a monitoring visit with each Coal Board grantee. A monitoring visit usually involves a visit to the grantee's offices to review records, inspect project activities, and meet with the local officials.

XIV. Project Completion

Project Closeout is the process by which the Board determines that the Coal Board project has been completed in accordance with the terms and conditions of the Coal Board contract.

Within 90 days of the date the certificate of substantial completion for construction projects, completion of planning documentation, or documentation of equipment purchase, the grantee must submit a final Project Completion Report for approval by the Department. The Project Completion Report is included as Exhibit 6. The report provides the Board and the Department with information on the total costs incurred for the Project, the final completion date, and any significant problems encountered in carrying out the Project. Within 30 days of approving the Project Completion Report, the Board will issue a letter approving the project completion. Once the letter is issued, the Coal Board grant project is considered complete and the file is closed. No more requests for reimbursement requests will be accepted on the project after the project is closed.

Exhibit I

Request for Reimbursement Form

Note: This form is available on the COAL BOARD website in Excel format

| SECTION I - COAL BOARD RECIPIENT INFORMATION | | | | |
|---|-----------------------------|--|---------------------------------|---|
| COAL BOARD CONTRACT NUMBER: | | REQUEST NUMBER: | TOTAL AMOUNT REQUESTED: | |
| NAME AND ADDRESS RECIPIENT: | | PRIMARY CONTACT: | | |
| SECTION II - FINANCIAL INFORMATION | | | | |
| | A Amount Budgeted | B Amount Expended Prior To This Draw | C Amount Requested | D Balance Remaining After This Draw |
| 1. TOTAL ADMINISTRATION BUDGET | | | | |
| 2. Percent | % of Total Grant | % of Column A | | |
| 3. TOTAL ACTIVITY BUDGET | | | | |
| 4. Percent | % of Total Grant | % of Column A | | |
| 5. TOTAL COAL BOARD BUDGET | | | | |
| SECTION III - LOCAL APPROVAL <i>Submit all supporting invoices, reports and other documentation.</i> | | | | |
| DATE: | SIGNATURE: | | TITLE: | |
| DATE: | COUNTERSIGNATURE: | | TITLE: | |
| SECTION IV -COMMERCE APPROVAL | | | | |
| REMARKS: | | | Total Requested | |
| | | | Adjustment | |
| | | | Adjusted Total | |
| EXPENDITURES ARE REASONABLE, APPROPRIATE _____ | | APPROVED BY: | | |
| FINANCIAL NUMBERS, SIGNATURES CORRECT _____ | | TITLE: | | |
| CONSISTENT WITH PRECEDING DRAW, SABHRS _____ | | DATE: | | |
| BUDGET AMENDMENT APPROVED _____ | | | | |

Exhibit 2
Signature Certification Form

Montana Department of Commerce
Community Development Division - Coal Board
301 S. Park Avenue
PO Box 200523
Helena, Montana 59620-0523

This is to certify that the following officials¹ are authorized to sign requests for reimbursements of Montana Coal Board funds for the {name of grantee: City, Town, or County}, 20__ grant: {Include one or multiple contract numbers}.

1. _____
Signature _____ Title _____
_____ Printed Name _____
2. _____
Signature _____ Title _____
_____ Printed Name _____
3. _____
Signature _____ Title _____
_____ Printed Name _____

It is understood that any two of the above signatories must sign each request for reimbursement submitted.

²I hereby certify that I have witnessed the signing of the above-named signatures.

Signature of Witness Date: _____

Typed Name and Title of Witness

SUBSCRIBED AND SWORN TO, before me, a Notary Public for the State of Montana, on the _____ day of _____, 20__.

(Notary Seal) _____
Notary Public for the State of Montana (type or print name)
Residing at _____
My Commission expires _____

¹Suggested signatories include the chief elected official (Mayor, Chairperson of County Commission, District President, Tribal Chairperson and/or Tribal Council Members), city, county or district clerk or treasurer, or other local officials. Consultants under contract may not be a signatory.

Exhibit 3
Designation of Depository for Direct Deposit of Coal Board Funds

SECTION I (To be completed by Coal Board recipient)

The _____
Name, Address and ZIP Code of Coal Board Recipient's Bank
has been designated as the depository for all funds to be received from the Montana Department of
Commerce resulting from Coal Board Contract No. {Include multiples if applicable}
MT-CB-_____ for deposit to: checking or savings

Account Name / Account # / American Bankers Association # (ABA –Routing/Transit)

Name of Grant Recipient

Address

Signature of Chief Elected Official
or Executive Officer

Title of Chief Elected Official
or Executive Officer

Email address for notification of payments made to grantee from Coal Board

Date

Section II (To be completed by the bank)

The account identified in Section I has been established with this bank. All necessary documentation,
including a power of attorney where necessary, which will legally enable this depository to receive state
warrants from the State Auditor's Office for deposit to:

Account Name and/or Number

Name of Bank

Address

The Depository hereby agrees to immediately notify the Recipient when a deposit is made in the above
account.

Signature of Authorized Bank Officer

Title of Authorized Bank Officer

Date

Exhibit 4

Uniform Status of Funds Form

Available at the Coal Board website:

<https://comdev.mt.gov/Boards/Coal>

Exhibit 5

Uniform Invoice Tracking Spreadsheet

Available at the Coal Board website:

<https://comdev.mt.gov/Boards/Coal>

Exhibit 6

Project Completion Report

Available at the Coal Board website:

<https://comdev.mt.gov/Boards/Coal>

Exhibit 7: Sample Management Plan

The management plan adopted by the local government should reflect the actual procedures utilized by the local government and based on the duties assigned to the various people involved in the project.

Note: This sample is provided to help create a plan that is structured upon the actual procedures utilized by the local government and based on the duties assigned to the various people involved in the project. This sample may be modified to fit the actual needs and management responsibilities of the project.

I. Administrative Structure

The City of _____ is an incorporated city with a Mayor-Council form of government. The following persons will have lead responsibility for administering the City's ____ Biennium Coal Board) {project type} project improvements:

Mayor _____, as the City's chief elected official will have responsibility for all official contacts with the Montana Department of Commerce. The Mayor and City Council will have ultimate authority and responsibility for the management of project activities and expenditure of COAL BOARD funds. The approval of all contracts and requests for reimbursement will be the responsibility of the City Council. (Telephone _____ Email _____)

_____, Clerk-Treasurer, as the City's chief financial officer, will be responsible for management of, and record keeping for, the COAL BOARD funds and other funds involved in the financing of the {type} project. (Telephone _____ Email _____)

_____, Director of the City-County Planning Board, will be designated as Grant Manager and be responsible for overall grant management and assuring compliance with applicable federal and state requirements for the COAL BOARD project. The Grant Manager will serve as the City's liaison with Department for the project. One-fourth of this position's time will be devoted to COAL BOARD administration during the term of the project. (Telephone _____ Email _____)

_____, City Attorney, as the City's legal counsel, will review and advise the Mayor and Council regarding any proposed contractual agreements associated with the COAL BOARD project and provide any other legal guidance as requested. (Telephone _____ Email _____)

_____, Project Engineer will be responsible for construction-related activities including preparation of preliminary engineering, final design plans and specifications, as well as construction inspection. Contractor compliance, scheduling, and reimbursement requests will also be subject to the Project Engineer's review and approval. (Telephone _____ Email - _____)

II. Grant Management

- A. The Grant Manager will be responsible for:
1. Compliance with any applicable environmental requirements.
 2. Assisting the Grant Recipient with all requirements related to effective project start-up and implementation and developing a contract with the Department.
 3. Preparing any legal notices required to be published, and processing and conducting any required public hearings or informational meetings.
 4. Establishing and maintaining complete and accurate project files and preparing all documentation and reports incidental to administration of the grant.
 5. Assisting the Grant Recipient with selection of the Project Engineer, in conformance with procurement requirements, including the preparation of requests for proposals for publication or other distribution.
 6. Reviewing all proposed project expenditures or requests for reimbursement to ensure their propriety and proper allocation of expenditures to the COAL BOARD budget.
 7. In cooperation with the Clerk-Treasurer, processing reimbursement requests and preparing requests for reimbursement to the Department, including the Request for Reimbursement, Status of Funds Report, Invoice Tracking Spreadsheet and the Project Progress Report.
 8. Monitoring the contractor selection process, including the bid advertising, tabulation and award process and construction contract provisions in conformance with applicable laws.
 9. Attending the preconstruction conference and monthly construction progress meetings.
 10. Monitoring contractor compliance with applicable requirements.
 11. Assuring compliance with all state labor standards requirements. Responsibilities will include the review of weekly payroll reports to assure compliance with state prevailing wage requirements; periodic visits to the construction site to assure that required equal opportunity, labor standards, and prevailing wage determinations have been posted; and conducting on-site interviews with construction personnel to assure prevailing wage compliance.
 12. Assuring compliance with applicable equal opportunity requirements.

13. Preparing all required performance reports and project completion documents for submittal to the Department.
14. Attending Council meetings to provide project status reports and representing the COAL BOARD project at any other public meetings, as deemed necessary by the local officials.
15. Receiving official project complaints and ensuring that complaints are reasonably addressed in a timely manner.

B. The Project Engineer will be responsible for:

1. Design and construction engineering.
2. Preparation of the construction bid package in conformance with applicable requirements and supervision of the bid advertising, tabulation, and award process, including the preparation of the advertisements for bid solicitation, conducting the bid opening, and issuance of the notice to proceed.
3. Conducting the preconstruction conference, with the assistance of the grant manager.
4. Supervision of construction work and preparation of inspection reports.
5. Reviewing and approving all contractor requests for reimbursement and submitting the approved requests to the Grant Recipient.

III. Financial Management

A. The Clerk-Treasurer's financial responsibilities will be as follows:

1. Managing the transfer of COAL BOARD funds from the Department to the grant recipient's bank account and disbursing COAL BOARD funds based on claims and supporting documents approved by the grant manager, project engineer, and contractor.
2. Entering all project transactions into the Grant Recipient's existing accounting system and preparing checks/warrants for approved expenditures.
3. With the assistance of the Grant Manager, preparing the Request for Reimbursement and accompanying reports and documentation to be submitted to Department.
4. With the assistance of the Grant Manager, preparing the final financial reports for project completion.

- B. The Grant Manager and Clerk-Treasurer will review all proposed expenditures of COAL BOARD funds and will prepare requests for reimbursement, which will be signed by the officials named on the signatory form. All disbursements will be handled in accordance with the Grant Recipient's established claim review procedures. Before submitting the claim to the Clerk-Treasurer, the Grant Manager will attach a certification to each claim stating that the proposed expenditure is an eligible expense of the Grant Recipient's COAL BOARD project and consistent with the project budget. The Council will review all claims before approving them.
- C. Financial record keeping will be done in conformance with state law. The original financial documents (claims with attached supporting material) will be retained in the Grant Recipient's offices.
- D. Appropriate documentation of administrative costs will be maintained by the Grant Manager and the Clerk-Treasurer to document all time worked on the COAL BOARD project that will be compensated with COAL BOARD funds.

This management plan has been approved by the Grant Recipient, _____ and the individuals named within have been informed of the responsibilities stated within this plan.

Chief Elected Official or
District President

Signature

Date

Exhibit 8

Sample Agreement

Note: This sample should not simply be copied. It is only provided as a sample to help create an agreement with a governmental entity or sub-recipient that is to be reviewed and approved by all parties and their attorney's.

THIS CONTRACT is entered into by (Insert Name of County) County, herein referred to as "the County", and the (Insert Name of District/sub-recipient), herein referred to as "the District/Center".

WITNESSETH THAT:

WHEREAS, the County is the recipient of a COAL BOARD grant to (describe the Project) owned and operated by the District/Sub-recipient; and

WHEREAS, this Contract between the County and the District/Sub-recipient will enable them to enhance cooperation in implementing the County's COAL BOARD award to accomplish the above-described project; and

WHEREAS, the County, in its capacity as a COAL BOARD grantee, has determined that the District/Sub-recipient can better supervise the design and construction phases of the (water and/or sewer) system; and

WHEREAS, the Montana Department of Commerce has required the County to enter into a contract with the District/Sub-recipient specifying the terms and conditions of the County's delegation of certain COAL BOARD grant management responsibilities to the District/Sub-recipient; and

WHEREAS, both parties to this Contract understand that neither local government involved herein has in any way, expressly or implied, abrogated any of its individual powers, and that this Contract does not create any new organization or legal entity.

NOW, THEREFORE, THE COUNTY AND THE DISTRICT/SUB-RECIPIENT MUTUALLY AGREE AS FOLLOWS:

- I. Responsibilities Delegated to the District/sub-recipient
 - A. The District/sub-recipient will, subject to prior approval by the Board of County Commissioners/Directors, retain the services of a consulting engineering firm to design and supervise the construction of the project.
 - B. The District/sub-recipient will be responsible for all facets of the design and construction phases of the project, including the following:

1. Design engineering;
 2. Construction engineering;
 3. Except as provided by paragraph IV. Administration below, compliance with all applicable state and federal requirements;
 4. Except as provided by paragraph IV. Administration below, compliance with all other state and federal requirements as described in the COAL BOARD Project Administration Manual;
 5. Preparation of construction bid documents; and
 6. Supervision of the bid process, the awarding of construction contracts, and construction of the project. The selection of the project contractor will be subject to the ratification of the County Board of Commissioners/directors and bid solicitation documents will reflect this requirement.
- C. The District/sub-recipient and its consulting engineer will receive, review, and approve all requests for reimbursement for the items contained in paragraph B, above, and prepare and submit such requests to the County Board of Commissioners/directors in a timely fashion in accordance with established procedures.
- D. During the term of this Contract, the District/sub-recipient will maintain reasonable records of its performance hereunder in a manner consistent with generally accepted accounting principles. The District/sub-recipient will allow the County and Department and their authorized representatives access to these records at any time during normal business hours. At the request of the County, the District/sub-recipient will submit to the County, in the format prescribed by the County, status reports on its performance under this Contract.
- E. The District/sub-recipient will provide documentation that the local share of the project that exceeds COAL BOARD funds may be accessed by the County for the project no later than the time of construction bid award.

II. Payment of Design and Construction Costs Incurred by the District/sub-recipient

In consideration of the District/sub-recipient's acceptance of the responsibilities described in paragraph I, above, the County agrees to the following:

- A. Upon receipt of a valid claim for payment from the District/sub-recipient for allowable project costs as specified in the County's contract with Department, a copy of which is appended as Attachment A of this Contract, and which by this reference is made a part hereof, the County will request the required amount of COAL BOARD funds from Department and upon receipt of these funds, the

County will honor the District/sub-recipient's claim and pay the engineer or contractor accordingly.

- B. Each payment for engineering and construction costs will be requested from COAL BOARD and District/sub-recipient funds (if applicable) in amounts that are proportionate to the percentage that such funds represent of the total cost of the project as specified in Exhibit B of Attachment A.
- C. The County will deduct a retainage from each payment request equal to five percent of the request, submitted by the District/sub-recipient for construction costs incurred by the project contractor and hold this retainage until construction is completed, the engineer approves final payment, and the project is accepted, all in accordance with the conditions of the construction contract. (Note: A retainage requirement is optional.)
- D. The County will also withhold one percent of the amount of any claim submitted by the contractor and will forward this amount to the Montana Department of Revenue pursuant to section 15-50-206(2), MCA.
- E. The County may refuse to pay any claim which it deems not valid under the terms of the COAL BOARD contract with Department (Attachment A). Any agreement between a COAL BOARD grantee and a subrecipient, such as a water or sewer district, should include a "Scope of Work" which includes a description of the work to be performed, a schedule for completing the work, and a budget. (These items are standard components of any COAL BOARD grant agreement which is referred to here as an attachment.)

III. Duration of the Contract

- A. This Contract takes effect when the following conditions are satisfied:
 - 1. Department and the County Board of Commissioners/directors have executed the COAL BOARD contract;
 - 2. The County Attorney and the attorney for the District/sub-recipient have approved this Contract as to form and content; and
 - 3. The County Board of Commissioners/directors and the District/sub-recipient's governing body have each reviewed this Contract and agreed fully to its terms and conditions.
- B. This Contract will terminate in accordance with the end date identified in the contract with the Department, or 90 days after the project engineer files a certificate of completion of the project with the Montana Department of Environmental Quality and Department closes out the COAL BOARD project with the County.

IV. Administration

For purposes of implementing the joint undertaking established by this Contract, the County's Board of Commissioners and the District/sub-recipient's Board of Directors hereby agree to coordinate with the County's COAL BOARD contract liaison, the project engineer, and a designated representative of the district/sub-recipient. These individuals may meet on a regular basis during the term of the COAL BOARD project to provide for the efficient and effective implementation of this project.

V. Management of Real Property or Equipment Acquired

The primary purpose of this Contract is to allow the County to delegate responsibility for the design and construction of the District/sub-recipient's project to the District/sub-recipient and to define the procedures by which the County will disburse COAL BOARD funds to pay the costs incurred as a result of these activities. The District/sub-recipient's facilities will be constructed or improved as described in the COAL BOARD contract with Department (Attachment A) and the District/sub-recipient may continue to own and operate those facilities subject to the limitations contained in subparagraph B.

Upon the expiration of this Contract the District/sub-recipient will transfer to the County any COAL BOARD funds on hand at the time of expiration and any accounts receivable attributable to the use of COAL BOARD funds.

VI. Indemnification

The District/sub-recipient waives any and all claims and recourse against the County, including the right of contribution for loss or damage to persons or property arising from, growing out of or in any way connected with or incident to the District/sub-recipient's performance of this Contract except claims arising from the concurrent or sole negligence of the County or its officers, agents, or employees. The District/sub-recipient will indemnify, hold harmless, and defend the County against any and all claims, demands, damages, costs, expenses, or liability arising out of the District/sub-recipient's performance of this Contract except for liability arising out of the concurrent or sole negligence of the County or its officer's agents, or employees.

VII. Suspension and Termination

The County may suspend or terminate this Contract if the District/sub-recipient materially fails to comply with any term of the County's COAL BOARD contract with Department. In addition, the County may terminate this Contract for convenience with reasonable notice.

This Contract has been approved by the County's Board of Commissioners and the District/sub-recipient's Board of Directors.

(Name of County) Commissioners

_____ Chairman

Date: _____

_____ Commissioner

Date: _____

_____ Commissioner

Date: _____