



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, April 12, 2022
Category:	NEW BUSINESS
Type:	ACTION
Subject:	MPCA Chloride Reduction Grant – 1) Consider Authorization to Utilize Wastewater Funds for Grant Match; 2) Agreement with Bolton & Menk, Inc.
Background Information:	<p>At the November 23, 2021 City Council meeting, staff presented to the Council an opportunity to apply for an MPCA Chloride Reduction Grant, through Bolton & Menk. The Council agreed to move forward with the grant application at this meeting.</p> <p>Bolton & Menk has been awarded this grant through the MPCA. The grant is a \$250,000 grant that is split between the cities of Worthington and Marshall. The grant requires a 25% match which would require a \$31,250 investment from each community. Below is a preliminary proposed cost outline from Bolton & Menk:</p> <ul style="list-style-type: none"> - Rebates or other incentives--\$100,000 for each community - Preparation of rebate program and tracking (Engineering)--\$50,000 - Preparation of educational information (Engineering)--\$50,000 - Final reporting to MPCA--\$12,500 <p>Based on the above numbers, with the City contributing \$31,250, we will end up with \$100,000 of money to invest into a rebate program or other incentive type of program, as well as having the engineering services to set up and administer the program covered by Bolton & Menk. The rebate program may offer cost coverage of softener adjustment, it may cover a portion of the cost to replace outdated softeners, or some combination of the two. City staff plans to meet with Bolton & Menk and Worthington Public Utilities staff on April 19th to begin formulating the program for the project as well as determining how to administer the program.</p> <p>Included in the Council packet for Council consideration is an agreement between the City and Bolton & Menk to utilize these grant funds. The City will be responsible for making all rebate payments and making all engineering payments to Bolton & Menk for engineering services rendered. Bolton & Menk would then send all documentation into the MPCA for grant payment and Bolton & Menk would reimburse the City. This arrangement is outlined in section 3.A.2 of the agreement.</p>
Fiscal Impact:	<p>Required grant match in the amount of \$31,250. MMU has agreed to split cost responsibility for the \$31,250 local match. The result is a \$15,625 cost to the Wastewater Department..</p> <p>The 2022 Wastewater budget has adequate funding available in line item 602-49500-58180 Refunds & Reimbursements.</p>

	<p>As identified in the project background, the City will be responsible for making all payments upfront, totaling \$156,250, with the ability to submit for monthly grant reimbursements that total \$125,000. The remaining \$31,250 will be split evenly between MMU and the Wastewater Department.</p>
<p>Alternative/ Variations:</p>	<p>No alternative actions recommended.</p>
<p>Recommendation:</p>	<p><u>Recommendation No. 1</u> that the Council authorize City staff to utilize \$15,625 in Wastewater Department funds for the grant match to the MPCA Chloride Reduction Grant.</p> <p><u>Recommendation No. 2</u> that the Council authorize entering into a Professional Services agreement with Bolton & Menk, Inc. of Mankato, Minnesota.</p>