



**INSTALLATION AND CONNECTION OF A SEWER SERVICE UNDER THE
EPA EMERGING CONTAMINANTS (EC) REIMBURSEMENT GRANT
PROGRAM**

The EC Reimbursement Grant Program provides grant assistance to connect existing residences or businesses currently served by a septic system to the Lockwood Area/Yellowstone County Water and Sewer District ("LWSD") sewer system, where available. Grant amounts will be limited to actual installation costs of up to \$5,000.00 per property. Grant funds are available on a first-come, first-served basis. The property owner is responsible for System Development Fees, permit fees, monthly charges, surface restoration costs, Contractor charges in excess of the grant amount, and any other costs incurred to connect the property to the LWSD sewer system. The grant amount available to property owners for sewer service line installation and septic tank abandonment may change based on the availability of funds. Steps to apply for grant assistance are as follows:

STEP 1: DETERMINE THE AVAILABILITY OF PUBLIC SEWER

Contact LWSD to determine the availability of public sewer to your property and to obtain the current permit fees and System Development Fee required to be paid to LWSD for connection, and a list of pre-approved EC Program Contractors. To be considered for the grant program, the property must be located within the existing sewer boundary and have public sewer with a sewer service extended to the property line.

Currently, properties within the Phase 1 and Phase 2 Sewer Subdistrict areas are eligible. Phase 3 Sewer Subdistrict properties will be eligible once construction is complete, which is anticipated in early 2028.

STEP 2: SECURE A WRITTEN BID

The property owner obtains a written bid from a licensed Contractor who has been approved by LWSD and has provided a Contractor's Agreement to participate in the EPA Emerging Contaminants Reimbursement Grant Program (the "Program Participation Agreement") Form to LWSD. The bid and construction agreement should include the cost to connect to and extend the existing sewer service line from the property line to the structure; installation of a grinder pump, if necessary; abandonment of the existing septic system; connection of the structure to the newly extended sewer service line; and restoration if requested by the property owner. Note that surface restoration costs are not eligible for reimbursement through Grant funds.

Neither LWSD nor its Engineer is a party to the agreement between the property owner and the Contractor. LWSD recommends that the property owner require the construction bid/contract to include a provision stating that the property owner is not responsible for paying the contractor for service installation costs that are not reimbursable by LWSD due to the contractor's failure to comply with program requirements.

STEP 3: SIGN AND RETURN THE GRANT AGREEMENT

Emerging Contaminant Grant Agreements are available at the LWSD office, on the website www.lockwoodwater.com, in the Forms section under the News and Information tab, or can be mailed upon request. The signed grant agreement, a Contractor's written bid, and a construction contract must be submitted to the Lockwood Water & Sewer District, 1644 Old Hardin Road, Billings, Montana 59101. The completed agreement, bid, and construction contract may be mailed or dropped off at the LWSD office or emailed to contactus@lockwoodwater.com. The grant agreement, along with the Contractor's written bid and a construction contract, must be submitted and approved before construction can begin.

STEP 4: GRANT APPROVAL NOTIFICATION

Based on available funding, the property owner will be notified of grant approval by LWSD. The grant agreement will stipulate that the public sewer connection and proper abandonment of the existing septic system must be completed within 9 months of grant approval unless an extension is granted. Any costs exceeding the EC grant must be paid by the property owner.

STEP 5: SUBMIT SERVICE APPLICATION AND PAY REQUIRED CONNECTION FEES

After receiving a notice of grant approval, the property owner must sign up for sewer service by submitting an application along with payment of the required fees. In addition to the cost charged by the Contractor for connection to the existing sewer system, a System Development Fee (SDF) must be paid to LWSD along with application and permit fees.

The public sewer connection application must include:

\$60 for permit fee

\$45 for account set-up

SDF cost based on the sewer phase connection

STEP 6: SCHEDULE AND COMPLETE ON-SITE WORK

Once all fees are paid, the property owner will schedule the Contractor to begin the on-site work, including installation of the sewer service line and abandonment of the existing septic system. Prior to construction, the Contractor must submit all required documentation listed in the Program Participation Agreement to LWSD, along with the installation schedule, and schedule an inspection of the sewer service connection by LWSD.

STEP 7: ABANDON EXISTING SEPTIC SYSTEM ON YOUR PROPERTY

LWSD requires the property owner to abandon the existing septic system when the property is connected to the public sewer. The Contractor's written bid should include the cost to abandon

the existing septic system. The property owner is legally responsible for abandonment of the septic system and, therefore, must ensure that the Contractor abandons the septic system in accordance with LWSD guidelines and completes a Septic System Abandonment Report Form. A copy of the signed Septic System Abandonment Report Form must be submitted to LWSD upon completion and prior to payment of grant funding.

STEP 8: PAYMENT FROM LWSD TO CONTRACTOR

Grant funding payment not to exceed \$5,000.00 per connection to the Contractor will be processed after the connection is completed and the Contractor has submitted an invoice with an IRS W-9 Form; Build America, Buy America Act (BABAA) Certification forms; a Wage Rate Certification form; a Septic System Abandonment Report Form; and certified payroll reports documenting that Federal Davis-Bacon Act or Montana Prevailing Wage Rate requirements (whichever is higher) were met. The Contractor shall submit these closeout documents within 45 days of the construction completion date. Contractors should allow approximately 45 days for LWSD to mail a check. Property owners are responsible for any costs exceeding the agreed-upon grant amount or for any work not eligible for grant reimbursement.

RESPONSIBILITIES:

- **Property Owner** The property owner is responsible for applying to the program for funding, completing the Grant Agreement, obtaining bid(s) from approved Contractor(s), and entering into a contract/agreement with the Contractor. The property owner is also responsible for all costs associated with the sewer service installation and understands that grant funds of up to \$5,000.00 will be paid directly to the Contractor once they have met all project requirements and have submitted the necessary documents. ***It is recommended that the property owner require the Contractor to include verbiage in the bid, thereby removing liability from the Property Owner for costs associated with the loss of grant funds due to the Contractor's failure to meet Program requirements.***

Example: Property Owner is not responsible for payment of costs designated to be paid by grant funds due to the Contractor's failure to meet EC Reimbursement Grant Program requirements and the resulting loss of grant funding.

- **Contractor** The Contractor is responsible for all items listed in the bid and agreement with the property owner. The Contractor must be pre-approved by LWSD and have a current State of Montana Certificate of Contractors Registration or Master Plumbers License, Certificate of Liability Insurance with LWSD and Morrison-Maierle, Inc. listed as additional insureds, signed and completed EC Contractor's Agreement, and a Debarment Certification on file at the LWSD office. To be eligible for the grant funding, the Contractor must meet the program requirements, which include using materials that comply with the Build America Buy America Act (BABAA) and pay the higher of either the Federal Davis-Bacon Act or Montana Prevailing Wage Rates. The Contractor will be required to turn in a "submittal" of BABAA materials and allow their employees

to participate in wage interviews. To participate in the program, the Contractor must sign and submit the Program Participation Agreement, acknowledging receipt of and agreeing to meet all program requirements to receive up to \$5,000.00 in grant funding and remain eligible to participate in the program. Upon project completion, the Contractor will submit a final invoice, IRS W-9 Form, BABAA Contractor Certification forms, Wage Rate Certification Form, BABAA Manufacturer Certification Form(s), Septic System Abandonment Report Form, and certified payroll(s). Failure to meet the program requirements on an approved project will result in the loss of grant funding for that project and removal of eligibility to participate in the program.

- **Lockwood Water & Sewer District and its Engineer/Representative** LWSD will administer the grant program and distribute grant funds pursuant to the terms of the EPA Emerging Contaminants Reimbursement Program Agreement between LWSD and the property owner. LWSD or its authorized representative will inspect the sewer service prior to backfilling, verify that construction materials meet the requirements of BABAA, and conduct labor interviews. LWSD and its Engineer are not a party to the contract between the property owner and the Contractor, and do not assume responsibility for the means, methods, techniques, quality, or performance of the sewer service as installed, nor for any damage to persons or property related to the work being performed by the Contractor or administration of the program. LWSD (or LWSD representative) visits are only to perform labor interviews, confirm the use of BABAA-compliant construction materials, and verify proper connection to the existing LWSD sewer service at the property line.