

Cooperative Project Agreement between Hydaburg City School District and Southeast Island School District

Hydaburg City School District Wood-fired Boiler Project

To complete the wood-fired boiler project at Hydaburg City School, Hydaburg City School District and Southeast Island School District mutually agree to the terms and conditions contained in this Agreement. Boards of Education of both HCSD and SISD have passed motions authorizing this Cooperative Agreement for fiscal year 2019 or until successful completion of the project.

Additionally, the signature of any party on this document transmitted by way of a facsimile machine or electronic document shall be considered for all purposes as an original signature. Any such faxed or electronic document shall be considered to have the same binding legal effect as an original document. At the request of any party, any faxed document shall be re-executed by each signatory party in an original form.

DATE OF AGREEMENT: June ??? 2018

A. INTRODUCTION

Throughout this Cooperative Project Agreement (CPA) the following entities are referred to as follows:

Hydaburg City School District – HCSD

Southeast Island School District – SISD

Alaska Energy Authority – AEA

In 2015, the grants manager for HCSD applied for the AEA Biomass Energy grant. The district was awarded the grant in the amount of \$620,977 to install a wood-fired boiler system to heat the school. HCSD committed \$40,000 in match to this project which can be in cordwood, housing (and utilities) for the workers, or a bobcat/forklift for use during and after the construction. These terms have been agreed to by Devany Plentovich, AEA project manager. When the grant was awarded Hydaburg City School District and Southeast Island shared a superintendent, Lauren Burch, and SISD provided many other administrative services through a similar cooperative agreement. In the 2017-2018 school year, Hydaburg City School District opted not to continue the Cooperative Agreement and employed Bart Mwarey as superintendent. (The term of this grant is from July 1, 2015 – June 30, 2019.)

In 2016, HCSD was also awarded a USDA Wood Innovations grant for \$150,000 for design and engineering of the project. Coffman Engineers was awarded the bid and completed the project with the exception of final inspection. Coffman Engineers will also provide construction administration for an additional fee to oversee Jonathan Fitzpatrick, Project manager, if needed. (The term of this grant is from Aug.1, 2016 - Dec. 31, 2018.)

B. SCOPE OF PROJECT

This project entails installing a wood-fired boiler system to heat the school buildings. A building will be constructed behind the high school in the old baseball field and will house the two Garn boilers and serve as cordwood storage. The GARN boilers will be connected to the school's hydronic heating system by underground pipes, and the five existing fuel oil boilers will be left in place to serve as back-up. The project is estimated to take eight to ten months to complete, depending on weather conditions.

SISD will provide the project manager, Jonathan Fitzpatrick, and an assistant, who have built six similar systems for SISD. They will remain employed by SISD and will track time spent on the project. These workers will be paid by SISD and their pay and benefits will be based on SISD's classified handbook. Additional part time workers will be hired locally as needed. These workers will be hired and paid by HCSD and work under the HCSD's classified handbook for their salary and benefits. All labor costs will be paid by the grant.

SISD's district office personnel will process orders, manage accounts payable, process payroll for the SISD employees and submit all required reports to AEA. All SISD employees working under the Cooperative Agreement will track time spent on the project. SISD employees working under this cooperative agreement and their estimated time for the 2018-2019 school year include:

Priscilla Goulding, grant manager (reporting) - 1 day per month for year

Margie Eads, payroll/accounts payable - 2 days per month

Terri Kohn, ordering/procurement - 2 days per month for 1st 4 months, then 1 day per month

Charges accrued for these services over the year will not exceed \$20,000 (about 3%) of the total grant amount.

SISD, through their contracted Business Manager, will submit project expenditure documentation for the costs and expenses of this project on a quarterly basis directly to AEA. Pursuant to the terms of the Grant, AEA's approval of reimbursement requests will be based on supporting documentation provided by SISD. HCSD authorizes SISD to receive Grant reimbursements directly from AEA.

~~In addition, HCSD shall pay the cost of travel and housing incurred by the individuals working on this project.~~

The grant will cover materials handling travel such as pick up and delivery of items to the project.

HCSD and SISD both recognize that the existing grant funding may not be sufficient to complete the project scope. At this point, the project manager currently anticipates the grant funding will be sufficient to complete the project. In the event that the amount of the grant is not sufficient HCSD will be responsible for securing additional funding prior to project completion. Every effort will be made to stay within budget. HCSD will bind insurance on the structure as construction in progress once the project begins.

HCSD and SISD Boards of Education acknowledge and agree that this agreement will

be successful only if clear communications are established and only if both sides infuse this agreement with good faith. To this end, both parties agree to put forth their best efforts toward establishing appropriate meetings periodically during the term of this agreement and as may be necessary to effectuate the intent of this agreement. The SISD project manager and grant manager will report to the HCSD board of education on a quarterly basis or more often as needed.

This Agreement will take effect upon signature by both parties and remain in effect until the project is completed. When the boiler system installation is complete, this agreement will come to a close. The end of the grant term is June 30, 2019, however the project may reach completion before this date.