

TO: Mayor & Council Members  
FR: Larry DiRe, Town Manager  
DT: September 20, 2021  
RE: Request for Qualifications for Advanced Metering Infrastructure (AMI) Water Meter System Replacement

The town received \$2,621,774 in federal funding from the American Rescue Plan Act\Coronavirus State and Local Fiscal Recovery Funds (ARPA\CSLFRF). One of the specific areas addressed by ARPA\CSLFRF is infrastructure defined as water, sewer, and broadband functions. The federal Interim Final Rule interpreting ARPA and applying requirements to implement provisions of ARPA states the following about water and sewer expenditures under the "Water and Sewer Infrastructure" heading:

*"1. Water and Sewer Infrastructure The ARPA provides funds to State, local, and Tribal governments to make necessary investments in water and sewer infrastructure. By permitting funds to be used for water and sewer infrastructure needs, Congress recognized the critical role that clean drinking water and services for the collection and treatment of wastewater and stormwater play in protecting public health. Understanding that State, local, and Tribal governments have a broad range of water and sewer infrastructure needs, the interim final rule provides these governments with wide latitude to identify investments in water and sewer infrastructure that are of the highest priority for their own communities, which may include projects on privately-owned infrastructure. The interim final rule does this by aligning eligible uses of the Fiscal Recovery Funds with the wide range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF)."*

As documented in the attached sections from the federal Drinking Water State Revolving Fund handbook, water meter projects qualify as an eligible expenditure. After a period of review and discussion the mayor and town council directed staff to bring forward a request for qualifications from professional service providers for an AMI water meter system replacement project in the town. Public advertisement is part of the procurement process, which looks for competitive bidding and public notice. Town staff wishes to advertise a request for qualifications for professional services to ensure a competitive and public process as a good procurement practice. The attached document describes the submittal and selection process. Proposed due date is Wednesday October 20, 2021.

Pending additional discussion, staff recommends mayor and town council approve the request for qualifications and direct staff to advertise same.

## PUBLIC NOTICE

The Town of Federalsburg (the "Town") invites interested firms to submit a sealed Statement of Qualifications (SOQ) for the following:

### SERVICES FOR WATER METER SYSTEM REPLACEMENT

Interested parties may submit Qualifications for an Advanced Metering Infrastructure (AMI) Full-Service Implementation and Maintenance Program in order to improve the process of collecting water utility meter data to enhance the level of service offered to customers.

The AMI Full-Service Program will be implemented system wide in a short time frame, in order to maximize the benefits of the system. Interested parties are to submit qualifications for a turnkey deployment of approximately 1,350 metered accounts, followed by an ongoing maintenance program with field labor that includes network, AMI endpoints, and software maintenance as well as full-service data hosting and delivery to the Town.

The requirements for Qualifications including instructions, requirements, and formatting for the SOQ may be secured at the Town of Federalsburg Town Office, 118 North Main Street, Federalsburg, Maryland 21632, (410)-754-8173, or requested by email to [townmanager@federalsburg.org](mailto:townmanager@federalsburg.org)

Firms interested in being considered for selection should respond by submitting one original and five copies of the SOQ in a sealed envelope marked "**Water Meter System Replacement**" to Town Manager, Town of Federalsburg, PO Box 471, Federalsburg MD, 21632, or hand delivered to the Town Office. Responses received after the specified due date and time, **Wednesday October 20, 2021 at 2:00 pm**, will not be considered.

TO BE ADVERTISED: September 29, and October 6, 2021

## RFO Scope of Work for Town of Federalsburg Water Meter Replacement Project

- I. Overview of Project
- a. Interested parties to submit Qualifications for an Advanced Metering Infrastructure (AMI) Full Service Implementation and Maintenance Program in order to improve the process of collecting monthly water utility meter data and subsequent billing in order to enhance the level of service offered to its customers
  - b. The AMI Full Service Program will be implemented system wide in a short time frame, in order to maximize the benefits of the system. Interested parties are to submit qualifications for a turnkey deployment of approximately 1,350 metered accounts, followed by an ongoing maintenance program that includes network, AMI endpoints, and software maintenance as well as full service data hosting and delivery to the Town.
  - c. The submitter shall be the single point of responsibility on all components of the Full Service Program (included but not limited to services, equipment, hardware, software, and warranties).
  - d. The Full Service Program shall run for a term of 15 years.
    - i. Provide and perform the initial replacement of all existing water meters.
    - ii. Provide and install radio transponder endpoints with two-way licensed communications at the 450-470 MHz frequency.
    - iii. Install a fixed based data collection system to collect readings and information from AMI modules and transmit to a hosted server.
    - iv. Install all hardware and software that will receive meter readings, prepare reports, and interface with the Town's billing system.
    - v. Provide equipment, training, and implementation to migrate from the current system to the fixed base Full Service Program.
    - vi. Secure hosting of meter readings that can be accessed by the Town at any time.
    - vii. A Maintenance Program that provides replacement of failed components including all labor required for repair or replacement.
  - e. **Submitters are encouraged to carefully review all the materials contained herein and prepare their Qualifications accordingly.** The detailed requirements set forth below will be used to score the Qualifications and failure of the Submitter to provide the information requested for a specific requirement may render their Qualifications as non-responsive and may result in being rejected.
  - f. Submitters shall carefully study and compare the information and documents presented in this Request for Qualifications to ensure there are no conflicts, shall examine the site and local conditions, if applicable, and shall at once report to the Contact Person any errors, inconsistencies or ambiguities discovered
  - g. The Town shall not be liable for any costs incurred by a Submitter in preparing or producing its Qualifications or for any Services provided before execution of an Agreement.
  - h. All terms and conditions outlined in this Request for Qualifications and any associated Addenda, shall become a part of the Agreement entered into between the Town and the Successful Submitter.
  - i. Questions
    - i. Submitters shall submit all questions about the meaning or intent of the Request for Qualifications to the Contact Person in **written format only**. It will be at the Town's discretion whether questions received after the date for "deadlines for questions" as

noted in the Event Timeline will or will not be answered. Interpretations or clarifications considered necessary in response to such questions will be issued by a written Addendum. **Only questions answered by formal written Addendum will be binding. Oral and other interpretations or clarifications will be without legal effect.**

ii. Questions submitted shall not constitute formal protest of the specifications or of this Request for Qualifications

iii. All inquiries pertaining to this Request for Qualifications are to be directed to:

Lawrence DiRe – [townmanager@federalsburg.org](mailto:townmanager@federalsburg.org)

j. Submitters should review and become familiar with the Event Timeline. The dates and times of each activity within the Timeline may be subject to change. It is the responsibility of the Submitter to check for any changes. All changes to the Timeline will be made through an addendum to this Request for Qualifications.

EVENT	DATE	TIME
Issue Request for Qualifications	September 21, 2021	
Deadline for Questions	October 15, 2021	2:00 pm
<b>Qualifications Due Date and Time</b>	<b>October 20, 2021</b>	<b>2:00 pm</b>
Oral Presentations (if applicable) (subject to change)	November 1, 2021	6:00 pm
Approval of Selection and Award (subject to change)	November 15, 2021	6:00 pm

k. SEALED Qualifications are to be submitted on or before **October 20, 2021 at 2:00 PM** to: The Town of Federalsburg, PO Box 471, Federalsburg, Maryland 21632, or hand delivered to 118 North Main Street, Federalsburg MD 21632.

l. Six (6) copies of the qualifications shall be submitted, sealed and mailed or delivered to be received no later than the above Qualification Due Date and Time.

**m. The outside of the mailing package must be marked with the following information:**

i. The words “SEALED QUALIFICATIONS ENCLOSED - AMI Maintenance Program”

ii. Name of the entity submitting the Qualifications

iii. If the mailing package is not marked and is opened in error, the Qualifications may be rejected.

n. The Town assumes no responsibility for a Qualification received after the due date and time, or at any location other than that specified herein, whether due to mail delays, courier mistakes, mishandling, inclement weather, or any other reason. **Qualifications received after the due date and time shall be returned unopened. There will be no exceptions to this policy.**

## II. Submittal Format

To aid in the scoring of the Qualifications, provide the following information in the format as noted. This information will be used as the foundation for scoring the Qualifications. Qualifications are to be submitted in 8½” x 11” size, typed, three (3) hole punched and fastened with a paper clip or binder clip. Lengthy

narratives are discouraged; presentations should be brief and concise and not include extraneous or unnecessarily elaborate promotional material. **The qualifications should not exceed 20 (twenty) pages in length, excluding appendices.**

Submitters should use the following outline in organizing the contents of their qualifications:

- a. Title Page
- b. Introduction - introduce the firm and briefly state the understanding of the services to be provided and why they should be awarded the contract.
- c. Submitter History:
  - i. Include company contact name, address, e-mail, and phone number of project manager.
  - ii. The Submitter shall have a proven project manager to ensure successful Full Service Program installation. Project managers shall be experienced in managing the design, installation and optimization of systems. Project management experience shall include system integration and training support.
  - iii. The asset management experience and capabilities shall be detailed; preference will be given to long-term asset management experience. Provide a listing of references of similar project scope and complexity with customer contact information, so that the Town can verify experience.
  - iv. Provide details outlining the ability to service the long-term asset management program from within the state of Maryland, including local offices and service centers as well as the local offices and service centers of technology partners.
  - v. Provide documentation of ISO9001 certification for Asset Maintenance Programs
- d. Financial Stability:
  - i. Provide a summary detailing years in business, number of customers, financial strength, corporate structure and reporting. Demonstrate the ability to self-finance the initial meter infrastructure for up to five (5) years by providing three (3) references with contact information. No third party financing references shall be allowed.
  - ii. The Submitter must also be able to delay the first payment of the project for one (1) year or until final completion of the initial installation and testing of the AMI network is complete.

Submitter is to complete a financial analysis which will detail the expected financial benefits that the Town can expect to realize. The Submitter shall project the analysis for a 15-year period. All assumptions used in the financial analysis must be clearly explained.

- e. Full Service Program Capabilities:
  - i. Include a summary of the Submitters capabilities in accordance with the required maintenance program services.
  - ii. Include product descriptions for the proposed AMI system components and software capabilities.
  - iii. Include product descriptions for the proposed meter components and capabilities.
  - iv. Proposals for AMR/Drive-by, Hybrid AMI/AMR, Cellular, Mesh or systems with Repeaters Based shall NOT be allowed

f. References

- i. Include a list of at least three references for similar asset management projects

III. Maintenance Program

The Submitter shall provide a maintenance program that, at the option of the Town is renewable on an annual basis. The maintenance program will provide for the operation and long term maintenance of the AMI Full Service Program. The operational component of the Maintenance Program will include:

- a. All costs for operating, maintaining, and updating the backhaul communications system from the data collectors to the hosted software.
  - i. The Submitter will repair or replace any failed component of the data collectors, including but not limited to the battery, power supply, solar panel, communications board and firmware upgrades. Should the communications protocol from the cellular company require updating, it will be at no additional installation costs to the Town. All labor shall be included.
  - ii. Ongoing hosting costs. This will include managing the data, server replacement, and back office operations, such as, backups, software upgrades, and installation of software patches.
  - iii. Software upgrades: The Submitter will provide updates to the AMI software upon release by the manufacturer. Submitter will validate proper installation of the upgrade and the integration into the Town's billing systems.
    1. Submitter will provide on-site training, within 15 days of the upgrade, to Town staff on the operation of the software, highlighting any changes or enhancements in the new version of the software.
    2. Submitter will provide unlimited on-line and telephone support to address any questions or issues in the use of the software.
  - iv. The repair or replacement of any failed component of the AMI system, for performance reasons including water meters, transmitters, data collection units and software. The maintenance will include replacement hardware and labor to remove, repair, and reinstall the failed component(s). The costs will be a lump sum amount that will safeguard the Town in the event of a higher than expected failure rate of any of the metering system components.
  - v. Back office IT operations including backups, disaster recovery and server replacement
- b. System Performance: The Submitter will provide the following level of service to meet or exceed the following criteria:
  - i. The Full Service Program will deliver at least one billing read from 98.5% of meters over a three (3) day period. Billing reads are defined as readings available to be used for calculation of utility bill.
  - ii. Submitter will be required to take any action to remedy any issue(s) that hamper the AMI Full Service Program from meeting the above criteria. Proposer must have the financial strength to be able to support this requirement for a period of at least 15 years.
- c. Subcontractors: Submitter will provide a list of subcontractors that will be used to execute

the project. Each subcontractor will be identified by name and shall provide the following information: years in business, outline of similar experience and capabilities.

- d. Wages: All contractors and subcontractors shall pay the appropriate wage rate (when applicable) to all craftsman, tradesman, laborers and mechanics that work on the project.

#### IV. Fixed Network Advanced Metering Infrastructure (AMI) System Specifications

- a. It is the intent of the enclosed specifications to provide the Town with a Fixed Network Advanced Metering Infrastructure (AMI) System that will work with all major water meters, with an expected reading accuracy of 98% or more for all meters in the system.
- b. The Town will not consider technology that has not been field tested. The proposal shall be for new equipment. No used, rebuilt or refurbished equipment will be considered.
- c. When the project is completed, the Town will own and operate a functional and upgradeable Fixed Network AMI System capable of utilizing several types of meters and meter manufacturers.
- d. The System shall be two-way and utilize leading technology and an open architecture to ensure compatibility with all identified meter types. System shall operate in the 450-470MHz range.
- e. The System shall be capable of reading water, gas and electric meters under the same network.
- f. The Fixed Network shall consist of a series of data collector units (DCU) located strategically throughout the Town service area. The locations shall be determined by the Fixed Network AMI System vendor as part of the bid. The network shall be designed with redundancy where a high level of MTU's can communicate with at least 2 DCUs. The degree of redundancy shall be stated in the bid. The DCU units will be powered using either AC/battery or solar/battery to retrieve meter readings and relay them to a hosted server. The DCU units, as well as the corresponding MTU units, must operate on a licensed frequency that is the exclusive property of the Town.
- g. Repeaters shall not be permitted in the system.
- h. All Fixed Network AMI retrieved meter readings will be in a format compatible with the vendor supplied software for the Fixed Network system. The software will prepare and format the meter reading data for the printing of selected management reports and the transfer of the meter reading data to the billing software for customer invoicing. All aspects of the interface between the AMI and the billing software shall be the responsibility of the AMI vendor. The Fixed Network AMI System shall provide, at minimum, the following:
  - i. Provide for automatic, routine operation of the AMI System, including diagnostic procedures on all hardware, and logging of all known alerts, alarms and exceptions.
  - ii. Provide the ability to view specific account information.
  - iii. Process the readings and add them to the AMI database.
  - iv. The AMI System software shall be capable of providing individual account reports, flagging large usage, system status, detailed history for specific accounts, battery strength, and tamper alarms.
  - v. Allow for the addition of distribution system leak detection.
  - vi. Enable provision of enhanced products and services to customers, such as internet-based information access.

#### V. AMI System Description

- a. Provide a detailed description of the proposed Fixed Network AMI System. Include a full system architecture diagram. Include a description of your system in response to each of the following sections.

b. AMI Hardware

Meter Transmission Unit (MTU)

1. **Housing:** The MTUs will be housed in a molded plastic housing, hermetically sealed and resistant to rain, moisture and temperature changes from -30 to +70 degrees C. The enclosure must house the complete unit, which includes electronics, battery compartment, antenna and wire connections.
2. **Battery Life:** The MTUs shall have a permanently installed non-field replaceable battery with twenty (20) year life cycle expectancy.
3. **Maintenance:** The MTUs shall be maintenance free. After initial installation, MTU will continue to operate at optimal levels for the entire life of the product.
4. **Read Interval:** The MTUs shall contain a radio that transmits a brief message containing the MTU identification number and port number, the meter reading, and tamper flags at programmed intervals. The two-way water MTUs shall provide top-of-the-hour, time synchronized hourly reads (and, for short durations, fifteen (15) minute reads) to meet high interval reading requirements. The read interval shall be reconfigured over the air from the host server.
5. **Diagnostic Information:** MTUs shall provide diagnostic information, such as battery voltage, and tamper flags with every transmitted reading.
6. **Meter Compatibility/Ports:** MTUs shall be compatible with multiple makes and models of meters and shall be offered as single or dual-port units. Proposer shall submit a list of current compatible makes and models of meters.
7. **Installation:** MTUs shall be easily installed and provide appropriate provisions to avoid installer mistakes in installation, connection to meters, and programming. The MTUs shall be configured with a Field Programmer that will take the operator through a series of simple steps. Each step shall include error checking and verification, where appropriate. The Field Programmer shall communicate with the MTUs to confirm proper configuration and wiring. The Field Programmer shall also have the ability to initiate communication between an MTU and a DCU to ensure successful communication. A confirmation message shall be received by the Field Programmer approximately one minute after initiation.
8. **FCC Regulation:** All equipment must comply with current Federal Communications Commission (FCC) requirements, which include proper labeling of any system components and compliance with Part 90 of the FCC regulations. The vendor must have supporting



documentation available upon request to verify compliance. The system proposed by the vendor must operate on a dedicated, licensed frequency to prevent erroneous reading errors.

The Vendor must obtain said license on behalf of Town including any and all fees.

9. **Labeling:** The MTUs shall be labeled with the Manufacturer's name, ID number, date of manufacture, and required FCC labeling.

10. **Warranty:** The MTUs shall be guaranteed for the entire life of the project (15 years).

c. Field Programmer / Handheld

i. The Field Programmer / Handheld unit shall be designed to operate in a harsh reading environment, resistant to dust and moisture, and be able to withstand temperature extremes from -20 degrees F to +140 degrees F. The Programmer shall contain its own software for programming, and be provided with easy instructions for operation. Main and back-up batteries must be readily available from local suppliers. Units shall be provided with any needed communications software, adapters, chargers, or accessories. All software shall be licensed to the Town.

d. Data Collector Units (DCUs)

- i. The Fixed Network shall consist of a series of Data Collector Units (DCUs) located strategically throughout the Town distribution system. DCUs must operate in temperature extreme ranges of -40° to 85° C.
- ii. **Power Supply:** The DCUs units shall be powered using either AC/battery or solar/battery to retrieve meter readings and relay them to a centralized location at Town offices.
- iii. **Memory Capacity:** Each DCU shall have the capacity to store approximately 30 days' worth of meter readings.
- iv. **Diagnostic Information:** The DCUs shall measure and record battery strength, Radio Frequency (RF) signal strength and time and date stamp each inbound transmission. These records will be included with each transmission.
- v. **Transmission Security:** Data transmission between MTUs and the DCUs shall be in a proprietary format and not easily deciphered by outside sources.
- vi. **DCU Planned Network:** The DCU locations shall be determined by the Fixed Network AMI vendor as part of the bid based on a propagation study performed by the Fixed Network AMI vendor. The proposed number of DCUs shall provide at least two levels of redundant coverage for the service territory without the need for any repeaters.

- vii. **Mounting:** DCUs shall be capable of being mounted on roofs, utility poles, towers, etc., to collect readings from all meters in the coverage area. No special tower construction will be allowed.
  - viii. **DCU Network Redundancy:** Redundancy will be incorporated into the DCU placement process to accelerate the reading process and ensure all meters provide a reading. Each DCU, installed at a minimum height of 30 feet, will be able to read at least one (1) square mile of coverage and support not less than one thousand (1,000) MTU units.
  - ix. **Installation:** DCUs shall be automatically recognized and installed onto the System network. DCU behaviors, including connection time, alarm message handling, alternative connection numbers, etc. shall be configurable, over the network.
  - x. **Scalability:** DCU units may be added to the Fixed Network AMI System at any time without need for system reconfiguration.
  - xi. **Electrical Isolation:** All DCU electronics shall be electrically isolated and protected against static discharge and indirect lightning strikes.
  - xii. **Maintenance:** After being installed, DCUs shall require little to no maintenance for the life of the unit.
  - xiii. **WAN Technology:** DCUs shall be easily configured to utilize a variety of WAN technologies to communicate to the head end computer. DCUs shall have optional backhaul communication methods such as cellular, Wi-Fi, Ethernet, IP, and fiber optic and shall be easily upgraded from one WAN technology to another.
  - xiv. **Warranty:** The DCUs shall be guaranteed for the entire life of the project (15 years).
- e. Server Specifications
- i. Managed Hosting Solutions are required, locally hosted data will not be considered.
  - ii. The Host Server shall act as the central collection point for the data within the system. All data hosting and delivery will be cloud based and is the responsibility of the submitter to set up the software, hardware and hosting systems per the Town requirements. The server collects data from all of the Collectors and stores the gathered data in a secure database. Once data is stored and analyzed on the server, the data shall be available for display via a web based graphical interface.
  - iii. The Submitter shall offer a Perpetual License for the Host Software. The Host Software solution shall utilize a secure web-based application user interface and shall be accessible to the Town on a continuous basis. The Submitter shall explain the host software security.
  - iv. The Submitter shall provide a managed hosting service, where the Submitter shall own and manage the server hardware and software including monitoring to ensure the server continues to work effectively, provide backup services, installation of security patches and various levels of technical support. The Submitter hosted solution shall

utilize a secure web based application.

f. AMI Software

i. Software must be provided to perform the following functions:

1. The software must be web browser-based and shall have defined applications with standard interfaces to allow for existing and planned software applications.
2. Manage the database of meter readings and other related information about the meters and the AMI system
3. Interface with Town's Customer Information System (CIS) and other information systems. If the applications identified above are distinct and separate, Supplier shall respond to this subsection for each application.

ii. The Software must be capable of handling the multiple utility reads simultaneously. The successful vendor shall install access to the hosted server at the Town facilities and ensure the system can be accessed by all necessary departments. At a minimum, the AMI software will provide the following pieces of data:

1. Customer account number.
2. Customer address.
3. Meter serial number.
4. Date of system integration.
5. System meter read history.
6. MTU I.D. number.
7. Customer consumption data.

iii. In addition to the required data noted above, as held within the meter reading software itself, the AMI vendor must support an interface with the Town billing system. Town will provide an input/output file format to the successful vendor. License to use said software will be issued to the Town upon delivery of AMI server.

iv. Any Supplier-supplied database used to store and manage meter readings should be non-proprietary, ODBC-compliant, SQL-compliant, or provided by a standard commercial database supplier.

v. The fixed network software solution must offer:

1. Rate information
2. Customer information
3. Service point information

4. Meter data
  5. Tamper data
  6. Event data
- vi. The solution must be able to store and archive multiple types of data for each individual endpoint including but not restricted to:
1. Rate information
  2. Customer information
  3. Service point information
  4. Meter data
  5. Tamper data
  6. Event data
  7. Store/archive a minimum 24 months of data. All data must be easily retrievable.
  8. Accessible by a rich client or Web-browser based interface for the purposes of system administration and diagnostic troubleshooting.
  9. Be designed as a robust and scalable data repository to leverage best practices of data warehousing. The database should support scalability and have a highly flexible data structure to allow new data elements to be created without changes in table structures.

g. Consumer Engagement

- i. The solution must include a customer engagement web portal which includes:
  1. Customer login/authentication
  2. Web based customer dashboard with:
    - i. AMI data presentment
    - ii. Bill-to-date
    - iii. Bill analysis
  3. Analysis module for customers to see how their homes compare to similar homes
  4. Customer alerts
  5. Proactive water conservation reports

h. Interface to Billing System

- i. The AMI system supplier shall provide the appropriate software to automatically transfer appropriate data to the billing and Customer Information System (CIS) in a standard, nonproprietary format (e.g., fixed field ASCII) compatible with Town existing formats. Each record provided to the CIS shall contain at a minimum: account number, MTU ID number, route number, meter ID number, meter readings, date and time for each meter reading, and tamper indications. All aspects of the interface to the billing and CIS are the responsibility of the proposer.

i. Water Capabilities

- i. **Read Interval:** The solution shall be capable of collecting data in intervals of 15 or 30 minutes as well as hourly reads.
- ii. **Leak Detection:** The system shall monitor water consumption through the meter and indicate when there is an abnormal increase in water consumption, suggesting a leak within the customer's premise. The software must also provide meter reading management reports, usage analysis reports (leak detection, tamper detection and backflow conditions), and system management diagnostics.
- iii. **No Flow Detection:** The system (either through reports or alarms from the MTU) shall indicate when there is an extended period of no flow or a minimum flow through the meter.
- iv. **High Flow Detection:** The system shall provide a report of accounts with abnormally high consumption during any billing period, suggesting a continuous flow condition.
- v. **Constant Consumption:** The system shall provide a constant consumption report to identify locations which a potential leak had occurred by monitoring for constant usage or continuous flow with consecutive reads
- vi. **Time Synchronization:** The system shall provide time synchronized meter reads that allow the Town to obtain a snapshot of water consumption. Describe how the system maintains time synchronization across the network. All MTUs on the network must maintain time synchronization within 30 seconds of each other.

j. AMI Compatible Acoustic Leak Detection System

- i. The system shall be capable of utilizing acoustic data loggers that connect magnetically to water distribution mains to be upgraded at a later date.

k. AMI Back-up

- i. System shall have back-up capabilities and procedures to ensure that system and consumption data is not corrupted or lost.

l. AMI System Diagnostics

- i. System diagnostics shall be collected at all levels and transferred on to the host server where several types of diagnostic reports shall be produced. Such reports shall indicate problems ranging from battery voltage to failure to recognize a proper

communication with the meter.

m. AMI System Maintenance

- i. In addition to warranty periods, vendors are required to supply information on required or optional maintenance programs beyond the warranty period for both hardware and software. Features of those programs shall also be included with any additional charges such as hourly rate for on-site and/or remote support. The location of and procedures for obtaining such support shall be stated.

n. AMI Training

- i. The Town requires training of all appropriate staff sufficient to enable them to effectively operate and maintain the system. To be effective, the Town requires that training curriculum be provided in advance, that course workbooks and materials accompany training, and that experienced instructors provide training.
- ii. During the 15 year time period a yearly refresher and or all new employees will be trained as well

VI. Meter specifications

a. The residential and light commercial meters will comply with the following specifications:

- i. All meters shall meet or exceed the latest version of the American Water Works Association (AWWA) Standard C700, C710, or C715 for cold water meters
- ii. All materials used in the construction of the main cases shall have sufficient dimensional stability to retain operating clearances at working temperature up to 105 degrees Fahrenheit.
- iii. The meter serial number shall be stamped on the main case of the meter.
- iv. The meter main-case shall be cast from NSF/ANSI 61 certified material. The serial number should be displayed in a permanent location on the meter or register. Meter markings shall indicate size, model, direction of flow, and NSF 61 certification
- v. The meter electronic register enclosure shall be constructed of a durable engineered composite designed to last the life of the meter. The meter shall provide a fully potted wire connection for use with AMR/AMI devices.
- vi. The standard, advanced, and enhanced communication protocol for the water meter absolute encoder register shall be fully compatible and available for use with the selected AMI system and software.
- vii. The AWWA C715 solid-state meters must feature fully potted electronics and battery and an IP68 rating for submersion in flooded meter pits.
- viii. All meters shall be 100% factory tested for accuracy and have the factory test results provided with each meter.
- ix. Meters shall be pressure tested to ensure against leakage.

- x. Meters shall be guaranteed accuracy for the 15 year period of the agreement
  - xi. All electrical components and batteries will be guaranteed for 15 year period of the agreement
- b. The commercial meters will comply with the following specifications:
- i. Shall meet or exceed all requirements of ANSI/AWWA Standard C701, C702, C703 and C715 for cold water meters. Each meter assembly shall be performance tested to ensure compliance.
  - ii. The meter main case shall be stainless steel, bronze or epoxy coated ductile iron or epoxy coated fabricated steel composition
  - iii. The meter package shall meet or exceed all requirements of NSF/ANSI Standard 61, Annex F and G.
  - iv. All meters shall be 100% factory tested for accuracy and have the factory test results provided with each meter.
  - v. Meters shall be pressure tested to ensure against leakage.
  - vi. Meters shall be guaranteed accuracy for the 15 year period of the agreement
  - vii. All electrical components and batteries will be guaranteed for 15 year period of the agreement

VII. Modification / Withdrawal of Qualifications

- a. Submitters have the right to modify or withdraw their Qualifications without cause or without liability whatsoever at any time prior to the stipulated submittal date and time. Such requests must be made to the Town in writing. Modified or withdrawn Qualifications may be resubmitted, in accordance with the instructions in this Request for Qualifications prior to the stipulated submittal date and time.
- b. *No Qualifications shall be modified or withdrawn by the Submitter after the Submittal Date – Wednesday October 20, 2021 at 2:00 pm.*

VIII. Clarifications

- a. Before contract award, the Town reserves the right to seek clarification from the Submitter with whom the Town is contemplating award to properly score their Qualifications. Failure to provide requested information may result in not making such award to the Submitter.

IX. Negotiations and Contract Award

- a. The Town reserves the right to finalize the negotiations at any point and reserves the right to award a contract based on what is deemed to be in the best interest of the Town. The Town shall issue a Notice of Intent to Award, if any, to the Successful Submitter, however, no contract shall be formed between Successful Submitter and the Town until the Town signs the contractual Agreement.

X. Minimum Insurance Requirements

- a. Qualifications are to submit a copy of their certificate(s) of insurance evidencing policies and limits of insurance that they currently have in force. If this document is not submitted, the Qualifications may be rejected.
- b. *If, upon Notice of Intent to Award, the Successful Submitter does not currently have the policies and limits specified below, they shall have ten (10) calendar days to provide the Town with certificate(s) of insurance evidencing that they have procured such and policies and limits.*
- c. Submitter shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or sub-contractors. The coverage's, limits or endorsements required herein protect the primary interests of the Town, and these coverage's, limits or endorsements shall in no way be required to be relied upon when assessing the extent or determining appropriate types and limits of coverage to protect the Submitter against any loss exposures, whether as a result of the Project or otherwise. The requirements contained herein, as well as the Town's review or acknowledgement, is not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by the Submitter under this contract.

XI. Commercial General Liability

- a. The insurance carrier must possess an AM Best rating of A- or Better. Coverage must be afforded under a per occurrence form policy for limits not less than \$2,000,000 each occurrence, \$2,000,000 products / completed operations each occurrence, \$2,000,000 personal and advertising injury liability, \$2,000,000 each occurrence and \$10,000 medical expense. Additionally, all firms shall provide a detailed certificate that indicates they carry Pollution Liability Insurance in the amount of no less than \$2,000,000 of coverage.

XII.

***Submitter's insurance coverage shall be primary insurance*** as respects the Town, its officials, employees and volunteers. Any insurance or self-insurance maintained by the Town, its officials, employees or volunteers shall be excess of Submitter's insurance and shall be non-contributory.

XIII. Automobile Liability

- a. Coverage must be afforded including coverage for all Owned vehicles, Hired and Non-Owned vehicles for Bodily Injury and Property Damage of not less than \$2,000,000 combined single limit each accident. In the event Submitter does not own vehicles, Submitter shall maintain coverage for Hired & Non-Owned Auto Liability, which may be satisfied by way of endorsement to the Commercial General Liability policy or separate Business Auto Liability policy.
- b. ***Submitter's insurance coverage shall be primary insurance*** as respects Utility, its officials, employees and volunteers. Any insurance or self-insurance maintained by Utility, its officials, employees or volunteers shall be excess of Submitter's insurance and shall be non-contributory.

XIV. Health & Safety Program

- a. Submitter shall provide a description of their Safety and Health Program. It shall address the company's safety standards and policy, confirming they are trained for safety in the workplace and the field per all OSHA and applicable standards. The proposing company SHALL submit a full copy of their Safety and Health Program. If



the Program is too large/lengthy to include as a document with the response, please provide/submit it on an external USB flash drive.

XV. See attached sheet for scoring criteria

# Town of Federalsburg Water Meter Replacement Project

## Design-Build Selection Rating Form

Project Number: \_\_\_\_\_ Proposer Firm: \_\_\_\_\_  
 Project Bid Date: \_\_\_\_\_ City, State, Zip: \_\_\_\_\_

Selection Criteria	Value	Score
<b>Primary Firm Qualifications (Maximum 15 points)</b>		
The firm's overall understanding of Meter AMI Asset Management Program	0 - 4	
Experience of the primary firm in the municipal water industry	0 - 3	
Licensed state contractor (provide documentation)	0 - 3	
Proximity to the Town of primary firm & tech partner facilities & resources	0 - 3	
Proven track record with performing services for the Town	0 - 2	
<b>Key Technology Qualifications (Maximum 30 points)</b>		
All proposed meters meet AWWA standards and are NSF/ANSI 61 certified	0 - 5	
The AMI solution shall be meter agnostic	0 - 5	
The AMI Solution shall be able to read Water, Gas and Electric meters under the same network	0 - 10	
The AMI solution shall have two level redundancy using fixed based collectors only. No hybrid AMI/AMR, repeaters, cellular or mesh-based systems are allowed	0 - 10	
The AMI radio transponder endpoints shall be two-way licensed communication in the 450-470 MHz frequency that is the exclusive property of the Town	0 - 10	
<b>Project Team Qualifications (Maximum 15 points)</b>		
Ability of the project designer to achieve the Town's vision and meet overall project requirements	0 - 3	
Experience of project manager to manage scope, budget, schedule & quality	0 - 5	
Experience of the Technology Partners in product delivery, including references	0 - 5	
Experience of the Meter and AMI deployment team in project delivery	0 - 2	
<b>Maintenance Program Qualifications (Maximum 30 points)</b>		
Provide documentation of ISO 9001 certification for asset management	0 - 5	
Capability to meet all requirements of the meter asset management program	0 - 5	
Experience of the firm and technology partners with water meter asset management projects including reference contacts	0 - 5	
Experience with asset management projects in the state of Maryland	0 - 5	
<b>Financial Stability (Maximum 10 points)</b>		
Overall financial strength of the primary firm	0 - 2	
Proven capability of the primary firm to provide project spread payment for the initial meter infrastructure up to 10 years	0 - 2	
Able to delay the first payment of the project for one (1) year	0 - 2	
Financial analysis of expected project benefits to be realized over 15 years period	0 - 2	
Provide Certificate(s) of Insurance demonstrating all specified requirements	0 - 2	
<b>TOTAL</b>		

Notes on Reverse:

Evaluation Date:

Name:

Signature:

Systems in significant noncompliance with any requirement of a national primary drinking water regulation are not eligible to receive DWSRF assistance unless the state determines that the assistance will ensure compliance.

Multiple community water systems can join together in a consortium to apply for a single loan for a mutually beneficial project or set of projects.

### 3.2 **Ineligible Systems**

The SDWA identifies the following types of water systems as ineligible to receive financial assistance from a state's DWSRF loan fund:

- Federally-owned public water systems
- For-profit non-community water systems
- Systems that lack the technical, managerial and financial capability to ensure compliance with the requirements of the SDWA, unless the assistance will ensure compliance and the owner or operator of the system agrees to undertake feasible and appropriate changes in operation to ensure compliance over the long term
- Systems that have enforcement priority with any national primary drinking water regulation or variance, unless:
  - The purpose of the assistance is to address the cause of significant non-compliance and the assistance will ensure that the system returns to compliance
  - The purpose of the assistance is unrelated to the cause of the significant non-compliance and the system is on an enforcement schedule (for maximum contaminant level and treatment technique violations) to return to compliance

### 3.3 **Eligible Projects**

The SDWA provides that DWSRF financial assistance may be used by an eligible public water system only for expenditures of a type or category which the EPA Administrator has determined will facilitate compliance with national primary drinking water regulations or otherwise significantly further the health protection objectives of the Act. The DWSRF Interim Final Regulation identifies six broad categories of eligible projects. The following tables identify these categories of projects and offer examples of projects that could be funded under each. These lists are not intended to represent all types of projects.

**TABLE 3.1: Category 1 – Treatment**

*Example Projects*

- New facilities or portions of facilities, including:
  - Mixers/Flocculation/Sedimentation
  - Filtration
  - Chemical addition systems and equipment
  - Disinfection
  - Filter backwash recycling
  - Residuals handling
  - On-site generation of disinfectants
  - Corrosion control infrastructure
- Upgrades, rehabilitation or replacement of facilities or portions of facilities
- Potable reuse or reuse that mitigates the need for additional potable supply
- Desalination plants
- Raw water storage that is part of the treatment process and located on the property where the treatment facility is located
- Point of access or point of use treatment devices (i.e. filters) are only eligible if the device is the compliance treatment technology and the devices are owned and maintained by the public water system

**TABLE 3.2: Category 2 – Transmission and Distribution**

*Example Projects*

- Installation, replacement or rehabilitation of infrastructure to improve water pressure to safe levels or to prevent contamination caused by non-potable liquids entering the system through leaks or pipe breaks
  - Transmission mains
  - Distribution mains
  - Meters (e.g., flow meters, customer meters, master meters)
  - Appurtenances (e.g., valves, hydrants, pipe restraints)
  - Pump stations
- Service line replacements, regardless of pipe material and ownership of the property on which the service line is located<sup>6</sup> (service line can be replaced up to premise plumbing<sup>7</sup>)
- New water main extensions to serve existing residents not served by a safe supply of potable water (this includes installation of the service line up to premise plumbing)
- Reclaimed wastewater effluent and water reuse infrastructure and distribution systems (aka “purple pipe”) where such infrastructure mitigates the need for additional potable supply

<sup>6</sup> There are many mechanisms in which a community could fund replacing the privately owned portion of a service line, such as a rebate program or directly funding construction if a temporary easement is obtained. Some states or communities may have law(s) that prohibit funding projects on private property.

<sup>7</sup> For more detailed explanation, please refer to U.S. EPA’s May 9, 2016, memorandum from Anita Maria Thompkins, Director, Drinking Water Protection Division: “Clarification of Drinking Water State Revolving Fund Eligibility of Service Line Replacement on Private Property”

**TABLE 3.3: Category 3 – Source**

*Example Projects*

- Development of new sources to replace a contaminated drinking water source or to increase drought resilience
- Raw water intakes, wells or other constructed infrastructure that allows for movement of raw water into the treatment plant or into the distribution system
- Alternative supply in case of emergency or drought, such as:
  - Interconnections
  - Surface water intakes
  - Ground water wells
- Aquifer storage and recovery (ASR) system for water storage (e.g., part of a reclaimed water system), including:
  - Wells
  - Pumps
  - Pipes
  - Wellhead structures
- Riverbank filtration wells
  - Plugging abandoned wells when new replacement wells are drilled

**TABLE 3.4: Category 4 – Storage**

*Example Projects*

- New storage or replacement/rehabilitation of existing structures to continue to maintain compliance and protect public health by:
  - Preventing microbiological contaminants from entering a public water system
  - Equalizing water demands
  - Reducing pressure fluctuations in the distribution system
  - Providing reserves when power outages and other emergencies occur
  - Storing water for reclaimed water (aka “purple pipe”) systems
  - Providing drought resiliency

**TABLE 3.5: Category 5 – Consolidation**

*Example Projects*

- Purchase of a water system and all of its assets (including land and water rights)
- Interconnection of systems:
  - to resolve SDWA noncompliance
  - to achieve the technical, managerial and financial capacity needed to prevent noncompliance
  - to reduce the overall per household cost of service
  - for drought resiliency

Note – consolidation projects cannot be for growth purposes

**TABLE 3.6: Category 6 – Creation of New Systems**

*Example Projects*

- Projects which upon completion will create a community water system to address existing public health problems with serious risks caused by unsafe drinking water provided by individual wells or surface water sources
  - Projects to address existing public health protection problems associated with individual wells or surface water source must be limited in scope to the specific geographic area affected by contamination
- Projects that create a new regional community water system to eliminate individual systems with technical, managerial and financial difficulties

In general, unless a project is expressly prohibited by statute or regulation, it is likely eligible for DWSRF assistance as long as it addresses present or prevents future violations of health-based drinking water standards. When in doubt contact your EPA Regional DWSRF coordinator. Some types of eligible projects may cut across two or more of the categories above. Examples of such eligible projects for a few select types of projects are presented below (Note: projects listed above could also fall into these categories).

**TABLE 3.7: Examples of Water Security Projects**

- Installation of security measures to protect infrastructure and prevent vandalism or purposeful contamination of the drinking water, such as:
  - Fencing and gates
  - Lighting
  - Cameras
  - Closed circuit television

**TABLE 3.8: Examples of Energy Efficiency Projects**

- Energy efficient retrofits, upgrades or new pumping systems and treatment processes
- Pump refurbishment to optimize pump efficiency
- Pipe projects that prevent water loss.
- Projects that result from an energy efficiency related assessment
- Renewable energy projects, which are a part of a public health project, such as wind, solar, geothermal and micro-hydroelectric that provide power to a utility
- Utility energy management planning, including energy assessments, energy audits and optimization studies
- Additional eligible energy efficiency projects are listed in Appendix B “Sustainability: Examples of Resilience and Green Projects”

**TABLE 3.9: Examples of Other Capital Projects**

- Purchase of spare parts in conjunction with an initial capital project, as is customary during normal course of business
- Large capital equipment purchases, such as:
  - Supervisory control and data acquisition (SCADA) systems
  - Leak detection devices and equipment
  - Stand-by power generators and associated accessories
  - Database infrastructure or software (e.g., asset management systems, inventory tracking software)
- Vehicles used solely (or funding appropriately proportioned) for the project under which they were funded
- Administration buildings for the water system (which could include billing offices, laboratories, control centers, engineering departments and other water system offices) that the water system uses solely for its own management (or the DWSRF financial contribution can be prorated for the space used by the water system), including the land on which they are situated
- Decommissioning/deconstructing old facilities to make way for new facilities
- Acquisition of existing infrastructure (e.g., purchase a finished water reservoir from another community)
- Purchase of land or other infrastructure required as part of cross-cutter mitigation implementation

In addition, other activities eligible for an assistance agreement could include planning and design, water utility audits, leak detection studies, identification of service line materials, optimization studies, drought contingency plans, and other evaluations that might result in a capital project or in a reduction in demand to alleviate the need for additional capital investment.

### 3.4 **Ineligible Projects**<sup>8</sup>

The following projects are ineligible for DWSRF assistance. Deviations are possible for any except those projects explicitly prohibited by statute, as discussed further below.

- Construction or rehabilitation of dams
- Purchase of water rights, unless the water rights are owned by a system to be purchased for consolidation as part of a capacity development strategy

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<sup>8</sup> 40 CFR 35.3520(e)

## Drinking Water State Revolving Fund Eligibility Handbook

- Construction or rehabilitation of reservoirs, except for finished water reservoirs and those reservoirs that are part of the treatment process and are on the property where the treatment facility is located
- Projects needed primarily for fire protection
- Projects needed primarily to serve future population growth (prohibited by statute -- see below for further explanation)
- Projects that have received assistance from the national set-aside for Indian Tribes and Alaska Native Villages under the SDWA §1452(i) (*prohibited by statute*)

### 3.4.1 Growth-Related Projects

The DWSRF is meant to serve the public health needs of the existing population. Congress specifically directed in the SDWA that the DWSRF program avoid the use of funds to finance the expansion of any public water system in anticipation of future population growth.<sup>9</sup> The EPA specified in the DWSRF Interim Final Rule that a project which is intended primarily to address public health and/or regulatory compliance issues for the existing service population may be sized for a “reasonable” amount of population growth over the useful life of the project.

### 3.4.2 Deviations to Allow Funding for Certain Ineligible Projects

A state may request that the EPA consider a deviation from the DWSRF regulations for an ineligible project (or class of projects) that addresses public health concerns. A water system may request that the state evaluate whether to fund an ineligible project that is expected to resolve a public health issue associated with drinking water. The state should submit the deviation request to its EPA Regional Office. The Region will forward the deviation request to EPA Headquarters for a determination of whether to approve the request. Deviation requests are approved by the Office of Grants and Debarment based on recommendations from the Office of General Counsel and the Director of the Office of Ground Water and Drinking Water. Approved deviations will be posted on the [EPA's DWSRF website](#).

## 3.5 Emergency Use of Project Loan Funds<sup>10</sup>

A state may fund projects which require immediate attention to protect public health on an emergency basis if the state's Intended Use Plan (IUP) addresses conditions under which the state can fund emergency projects. Each state may define the conditions that constitute an emergency in its IUP. The state must report to the EPA the projects that it funded on an emergency basis in the state's biennial report and during the EPA's annual review. Projects funded on an emergency basis do not have to be on the state's Intended Use Plan nor do they require ranking using a state's

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<sup>9</sup> Environmental Protection Agency. August 7, 2000. Federal Register, Volume 65, Number 152, pages 48286-48312.

<sup>10</sup> 40 CFR 35.3555(c)(2)



TO: Mayor & Council Members  
FR: Larry DiRe, Town Manager  
DT: September 20, 2021  
RE: American Rescue Plan Act update (with relevant attachments)

The American Rescue Plan Act\Coronavirus State and Local Fiscal Recovery Funds (hereafter ARPA\CSLFRF) is a comprehensive financial relief package signed into law by the president of the United States on March 11, 2021. Unlike the CARES Act of 2020, which the Town of Federalsburg was a sub-recipient of Caroline County, ARPA\CSLFRF funds come directly to the Town in two equal pay outs (called “tranches”) this year and one year later. Funds totaling \$1,310,887 were received on July 26, 2021. Federalsburg will receive a total of \$2,621,774 under ARPA\CSLFRF. All funds must be spent or obligated by December 31, 2024. Funds cannot be used to offset a tax cut, or to pay for employee pension plans.

Each expenditure, save for premium pay, advances the town and provision of town services years, and in some cases more than a decade, without incurring additional debt service and/or depleting reserves. On the contrary, as the tax base expands incrementally and additional utility users come onto the system, the town will be able to grow reserves to acceptable balance levels. As a reminder, like any state or federal grant funding program, ARPA\CSLFRF is an exercise in spending. Expenditures are best seen as investments, and that is the goal of the town’s spending these funds – prioritizing expenditures that have multiple year return on investment. The corresponding fund balance and reserve obligations were presented to mayor and town council earlier this year (attached) and need to be considered as much of an essential part of responsible fiscal management as spending.

**Proposed Expenditures** At this time staff is bringing forward request for several modest technology upgrades for utility billing, air filtering of congregate areas, and remote access telecommunications. Together these expenditures constitute approximately \$13,100 (0.5% of total town allocation). Utility billing printers, not to exceed \$5,000 are requested. Additionally, the Meeting Owl Pro webcast system for webcasting public meetings, costing approximately \$1,600, is a requested expenditure. Staff is requesting the remaining expenditure of approximately \$6,500 be used for the purchase of air purification units to be set in congregate areas of the town’s buildings.

**Lost Revenue Calculation** Staff contacted the public finance firm of Davenport and Company to calculate the lost revenue portion of the ARPA\CSLFRF funding that can be used for a variety of expenditures on general government services. Davenport and Company agreed to perform this task at a not to exceed \$5,000.00 cost (0.19% of total town allocation), which is an ARPA\CSLFRF eligible expenditure. Upon receiving multiple years of town budget, audit, and other financial documentation they calculated the calendar year 2020 lost revenue to be in a range of **\$<10,000 to \$107,000**. Eligible expenditures can address capital equipment needs for a new trash truck and police vehicle purchase. While this funding allows for purchase costs, operational,

maintenance, and replacement costs need to be forecast and budgeted for on an annual basis. A capital equipment replacement reserve fund and policy are the corresponding next steps after purchase of vehicles and equipment.

Provided for informational and discussion purposes at this time. Pending mayor and town council discussion and direction, staff will bring forward certain specific expenditures forward for action in October.

TO: Mayor & Council Members  
FR: Larry DiRe, Town Manager  
DT: January 19, 2021  
RE: Proposed fiscal and fund balance policies

Fiscal policies are used by a governing board and executive management to set the baseline standards for how the organization will be managed financially. Fiscal policies provide guidance for general and enterprise funds, expenditures and revenues, and fund balance reserve. To that end staff provides the following as guidance points for revenue, expenditure, and reserve policy consideration:

- The Town will adopt a balanced budget annually by June 30.
- The Town will make all current, ongoing expenditures with current, ongoing revenues, avoiding procedures that balance current budgets by postponing needed expenditures or accruing future revenues.
- The Town will estimate revenues using an objective and analytical process; in the case of assumption uncertainty, conservative projections will be used.
- The Town will maintain a level of expenditures that support essential services and promote quality-of-life to its residents.
- The Town will forecast its General Fund and other major fund expenditures and revenues for a five-year period and will update the forecast annually. The forecast will be taken into consideration when preparing budget recommendations.
- The Town will endeavor to maintain a diversified and stable revenue system to minimize the impact of short-term fluctuations in any one revenue source.
- The Town will avoid targeting revenues for specific purposes whenever possible, allowing maximum flexibility in funding decisions on an annual basis.
- One-time revenues will be used for one-time expenditures only.
- The Town will investigate potential new revenue sources, particularly those that will not add to the tax burden of residents and local businesses.
- The annual budget will establish measurable goals and objectives and allow reasonable time to accomplish those objectives.

### **Capital Improvement Plan (CIP)**

Developing a Capital Improvement Plan (CIP) is a responsible action for Federalsburg. A CIP can help the town secure funding, prevent projects from piling-up, and alleviate surface-level projects that have to be torn up a few years later because of a deeper issue. Positive characteristics of a CIP are prioritization, transparency, funding, and future focusing. This is not a new approach for Federalsburg. An internal staff report from the town manager to department heads dated December 7, 2017 reads as follows *“Capital Improvement Plan - 5 year projection. I want to begin a Capital Improvement Plan based on your plans for your department. The goal is to make this plan be a tool that your department as well as the Mayor and Council can use to plan for future capital project expenditures.”* Responsible priority-based capital project planning and budgeting considers the following proposed guidance points:

## **Fund Balance Classifications**

The Town's fund balance should consider the following classifications:

- The restricted fund balance category includes amounts that can be used only for the specific purposes stipulated.
- The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the mayor and council. The mayor and council has authority to establish, modify, or rescind a fund balance commitment.
- Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed.
- Unassigned fund balance is the residual classification for the Town's funds and includes all spendable amounts not contained in the other classifications.
- The Town considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

The Town's committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classification could be used.

Staff proposes mayor and town council adopt relevant fiscal and fund balance policies. At this time this report is provided for informational purposes.

Pending mayor and council discussion, provide direction to staff.