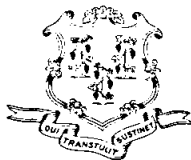


STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH



J. Robert Galvin, M.D., M.P.H., M.B.A.
Commissioner

M. Jodi Rell
Governor

September 30, 2009

Mr. Bradford C. Kargl
Town of East Lyme
108 Pennsylvania Avenue
P.O. Box 519
Niantic, CT 06357

PWS Name: East Lyme Water & Sewer Commission
Town: East Lyme
PWSID: CT0450011
DWS Project No.: 2008-0013
DWSRF No.: 2008 0450011a
Project: System-Wide Chlorine Disinfection
Contract Title: General Construction Work at Wells 1, 2, Bride Lake WTP, 4A, 5 and 6

Re: Drinking Water State revolving Fund (DWSRF)/American Recovery and Reinvestment Act of 2009 (ARRA) Authorization to Award Construction Contract

Dear Mr. Kargl:

The Department of Public Health (DPH) has received your request for authorization to award the construction contract above to **C. H. Nickerson & Company, Inc.** advertised as "General Construction Work at Wells 1,2, Bride Lake WTP, 4A, 5 and 6" in the amount of **\$839,546.00**.

After reviewing the materials submitted, we wish to inform you that it appears you have satisfied the applicable Drinking Water State Revolving Fund requirements under Section 22a-482-4(j) of the Regulations of Connecticut State Agencies. It is acknowledged that the project appears to meet the Buy American and Davis-Bacon provisions of the ARRA, thus retaining eligibility for those funds. Therefore, you may award the contract, subject to the conditions set forth in this letter, including but not limited to the following:

1. Within 24 hours after the contract has been signed, you must submit a completed "FFY2009 DPW ARRA Notification Form" (attached) to our office by fax (860-509-7359, Attn: Capacity Development Unit).
2. A copy of the "Notice to Proceed" letter issued to the contractor must be received by DPH within five (5) business days of the date that the letter is issued to the contractor.



3. You must submit an executed copy of the contract to the DPH within five (5) business days of the date the contract is executed.
4. A project sign must be in place prior to the start of any construction work. A draft (proof) of the sign must be submitted to DPH (email to sara.ramsbottom@ct.gov or fax to 860-509-7359, Attn: Sara Ramsbottom) for review and approval prior to printing the sign.
5. You must comply with the Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) requirements set forth in the DEP Clean Water Fund Memorandums dated July 1, 2008 and January 20, 2009, as well as the DEP contract compliance documentation accompanying such memorandum. Approval of the contract described above is based upon our understanding that the contractor has accepted, as a condition of its bid, minimum participation goals of two percent (2%) for MBEs and three percent (3%) for WBEs. We understand that currently the proposed utilization by the contractor is as follows:

MBE/WBE Subcontractor	MBE or WBE	Amount of Subcontract	% of Contract
Addison Electrical Contractors, LLC	WBE	\$ 26,310.00	3.1%
Fine Specialty Constructions, LLC	MBE	\$ 17,400.00	2.1%

The contractor shall be required to continue positive efforts to solicit MBE/WBE participation in accordance with the provisions of 40 CFR Sections 33.301 Subpart C, 30.44(b), 31.36(e), 35.3145(d) and 35.6580 whenever subcontracting opportunities arise during the performance of this contract. The contractor is expected to review MBE/WBE proposals brought to their attention during the contract period and if not utilized, keep a record of reasons for rejecting the proposals.

4. The contractor is required to submit to you executed copies of MBE/WBE subagreements within fourteen (14) days of the execution of its contract with you. You must then submit to the DPH a copy of each contract. Please be aware that no contractor payment requests that you submit for DWSRF reimbursement will be processed by the DPH or by DEP prior to receipt of each signed MBE/WBE subagreement.
5. The contractor is required to pay the higher of (1) the prevailing wage rates contained in the most current Wage Decision of the State of Connecticut in effect ten days prior to bid opening, adjusted for July 1 revisions, or (2) the federal Davis-Bacon wage rates available through the U.S. Dept. of Labor's website.
6. Any Change Orders to the Construction Contract must be approved by the DPH in order to receive payments from the DWSRF. The Change Orders must be associated with the subject DWSRF project and eligible for funding.

7. No payments will be processed for this contract until a project Loan Agreement, in a form satisfactory to the State of Connecticut, has been fully executed by you and accepted by the State.
8. Upon completion of the Construction Contract, a summary verifying the total dollar amount for eligible work executed under the approved Construction Contract and change orders thereto, the amounts paid to each MBE/WBE, and other administrative or other costs identified in your Full Loan Application must be submitted to the DPH. This information is necessary in order for the DPH to determine closure of the Construction Contract and for the processing of a Permanent Funding Obligation.

Nothing contained in this letter shall constitute a commitment by the State to make a project loan to you under American Recovery and Reinvestment Act of 2009 (ARRA) or the DWSRF program.

Should you have any questions, please contact Ted Dunn or Linda S. Li of my staff at 860-509-7333. Thank you for your continued interest in our DWSRF program.

Sincerely,



J. Robert Galvin, M.D., M.P.H., M.B.A.
Commissioner
Department of Public Health

Encl.: FFY 2009 DPW ARRA Reporting Form

cc: Mr. Baker Salsbury, Director of Health, Ledge Light Health District (w/o att.)
Linda S. Li & DWSRF File
Mary Fuller, DPH (w/o att.)
Karen Sheets, DPH (w/o att.)
Bruce Wallen, DPH (w/o att.)
Sharon Dixon-Peay, OTT (w/o att.)
Natalina Raimondi, DPW Project Manager (w/o att.)
Meg Hooper, DPH Accountability Officer (w/o att.)