

**Stormwater, Asset Management, and Wastewater (SAW)
Workgroup Meeting on February 27, 2013
At DEQ, Constitution Hall, 3rd Floor North
Lillian Hatcher Conference Room, 9 am-12 pm**

Attending: Harry Sheehan, Washtenaw County
Gary Burk, City of Owosso
Larry Fox, C2AE
Dima El-Gamal, Stantec (conference call)
Keith McCormack, HRC
Nate Zill, Lenawee County
DEQ: Liane Shekter Smith, Sonya Butler, Pete Ostlund, Bob Sweet
Charles Hill (conference call), Robert Schneider, Kelly Hoffman,
Wendy Fitzner, Cheri Meyer, and Carla Winegar

Not in Attendance: Jim Sygo, Deputy Director, and Phil Argiroff, DEQ

Construction Management (CM)

- The DEQ met with interested parties; 90-day window was provided giving opportunity for feedback.
 - Cheri put together the information we solicited in summary.
 - The summary supports the DEQ's decision to no longer allow CM.
- Liane relayed that it was suggested we have a conversation at this meeting about the decision.
 - Cheri summarized pros and cons
 - CM minimizes competitive bidding – contrary to the intent of SRF and DWRP programs.
 - Potential for increased project costs with CM
 - Subcontractor decide not to bid because of more hassles
 - Required to be bonded, so cannot bid
 - Most commenters preferred the general contractor method rather than CM.
 - Rural Development does not allow CM; removing CM in SRF/DWRP will keep in line with its programs.
 - Larry's firm uses both methods; design bid build better for municipalities; lot of upfront work to be done in CM that is keeping people from participating. In favor of decision.
 - Keith agrees...planning step gets lost. His firm uses both methods.
 - Liane - feedback from communities, hands off, everything taken care of by using a CM.
 - Gary only had limited experience with CM.
- Summary: CM will no longer be allowed in the SRF or DWRP.

Summary of Asset Management (AM) Activities in Other States

- Cheri researched what other states are doing and summarized as outlined in handout.
- Gary questioned rate structure – one of core components.
- One state interested, but doesn't have funding source or time
 - Many states interested in AM – lot of positive feedback.

- Wendy asked about permits
 - Do we have legal authority to require AM in the permit? Did we discuss AM as a NPDES permit requirement with Region 5?
 - Pete – WRD decides authority on our own
 - One state in Region 3 considered putting AM as a NPDES permit requirement, but was confused about legal authority.
- Keith - GIS is recognized need. Seen couple of examples where information was not collected properly; GIS data was not really useable.
 - Having funding source to get through this is great for communities. GIS software not easy tool; may have to rely on consultants to do this
 - Charlie - some communities have dedicated staff to do and maintain the data.
 - Dima supports GIS, AM process can be put on shelf. GIS tool very helpful for AM. Communities want it, need it, but don't have budget for it. Sustainable to use as tool for AM.
 - Pete – not just mapping, use GIS for planning, etc.
- Gary – Michigan introduced to AM because of funding requirements.
 - If we have other incentives on wastewater, would like to get that program going.

Definition of Asset Management

Public Act 511 of 2012 provides definition of AM program.

Eligibility of AM

1. GIS software – important component. Cost should be eligible.
 - Will community or engineer own the software?
 - If consultant does AM, need to have someone in community use it.
 - Need to own the product that comes from AM.
 - Community should own.
 - Restrictions – prove that you are going to use the software.
 - How many are you going to pay for...license, updates?
 - Small community always hire out these services.
 - Future software costs (updates) have to be built into user charge system.
 - Training more important than anything in order to use the GIS software
 - Pete - some small communities don't need GIS system to know where their assets are (i.e., CUPPS).
 - Charlie – next step operation of your system, capacity is also component; being able to track that would be helpful (i.e., hydraulic modeling)
 - Keith - condition assessment – modeling, televising, cleaning, smoke testing, flow monitoring, how much are we going to want to allow people to do? Start with basic inventory. Or if you already have AM, how do you want to enhance that?
 - Dima, if they have people in community that can do condition assessment, certification to do such (i.e., PACP condition assessment)
 - Liane 1) what would qualify as in-kind match? 2) what tasks that a community should already be doing that we would pay for? In SRF, do we pay for that televising services? No. Is it more cost-effective to do within community or contract out? Communities would have to be in for the long haul. For NPS, allow tv truck as match, but not part of grant (Bob S) but that opens it up to many equipment purchases. Is the cap just for AM? Impetus was on, but some communities might not be able to do, or need other things.
 - GIS software eligible if has planning component, as well as mapping

2. Training for GIS software – should it be eligible?
 - One license? Or should it be based on population.
 - Need separate license for field and each mobile device
 - editor license, view license. One of each? Yes, at a minimum.
 - How much money?
 - \$10,000-\$20,000...per license.
 - GIS arc, lease on an annual basis \$2,500 (mapping only) for first and \$1,000 for rest Planit software used by Pinckney (mapping only).
 - Engineers will research and recommend cost.
 - Keith - software + training going to be big number \$100,000.
 - Should be cap on what we pay for software.
 - If an annual cost, should get community used to paying (Gary)
 - type of software, size of community.
 - One-time fee, not yearly,
 - if purchased, needs to be in plan and what outcome will be.
 - We need help with what those ceilings are.
 - Sonya asked engineers and staff to remind communities of governor's initiative to help each other (coordination of services to help with training costs).
 - We need to remind communities to make most of the dollars.
 - Gary - Larger communities should already have a start on GIS. Could incorporate into what they already have.
 - Dima - Would it be helpful to require applicant to show how they will be using?
 - Pete - Component in law, have to coordinate; cost-savings.
3. Workstations or tablets - should it be eligible?
 - If buying software, should buy hardware. Not as expensive.
 - Lump all together, with training as well.
4. Aerial photography – should it be eligible?
 - Existing layers out there from a variety of sources
 - Bigger question is what are you going to use for base map to put the utilities on?
 - County may have, some communities may not and may need to do this.
 - Flyovers? Need to do more research.
 - Pete says if DEQ is already paying for, why would we pay for it again?
 - Existing through the state; Dima says have agreements with counties.
 - If beneficial for communities, is it grant or in-kind match? Gary - what level?
 - If available through other resources, not allowable.
 - Pete will check with John Clark, state GIS coordinator, regarding data that is currently eligible.

Rate Methodology for Asset Management

Bob Schneider presented Excel template designed to come up with rate so community can look at various options (fixed and/or variable components).

- 5 core questions
 - 1) Level of service (discussion for community to take on)
 - 2) Asset inventory - what you have
 - 3) Criticality of asset
 - 4) How you deal with funding and revenue structure for assets
 - 5) What are you going to do in long run – capital improvement
- Purpose is two-fold
 - 1) To provide sophisticated systems what we mean by AM planning
 - 2) For actual use, for smaller community to use

- Keith asked - What do you do with those assets or how do you plan?
 - Excel spreadsheet could be useful AM tool that all could use.
 - DEQ preparation of guidance document on asset inventory
 - Excel template is expected to be sufficient for NPDES permit and DW capital improvement plan requirement.

What are we inventorying under stormwater AM plan?

- County drains: Not all stormwater drains are for conveyance; some are surface water. Is there overlap? Streams, ponds, lakes...many are existing streams, doesn't depend on storms. They are surface waters of the state. Experts determine. Site specific determination of surface water. Easier to determine if on topal map.
- Can an AM grant be provided for a county drain?
 - Yes, if strictly stormwater conveyance.
- Eligible to include in AM plan for stormwater
 - Enclosed pipe, swales, rain gardens, AM plans, catch/retention basins, porous pavement and ditches.
 - Open pipes could be. Surface MS4 definition includes everything that drains in system; easy fallback
- Have to meet NPS criteria – Bob - 319 approved plan...in bill? Watershed management plan or MS4 program - regulated municipalities. Need chart.
 - Harry - Point was to pull out federal requirements, looks like not doing that.
- Stormwater or NPS - Is there anything that wouldn't fall into one of those categories?
 - No – Bob. There is lots of overlap.
 - Liane asked for examples.
 - Towar Gardens put in swales and rain gardens, eligible as NPS. Piping was not.
 - SAW is intended to fund both of those things.
- What is your asset, what is fundable as well?
 - Keith - all of NPS would be an eligible item.
 - What is drawback going that route?
 - Inventory all of the open drains that are waters of the state?
 - Already inventoried.
 - Harry opens up more questions: Loan would have to be applied for the drain commission, not county – have to coordinate, cannot bond outside of drainage district. Oakland County is expecting to apply for each. Condition assessment needed.
- We need subcommittee
 - Harry has worked with other folks in SRF – Karol Patton.
 - Harry to spearhead committee (include Pete and Bob Sweet)
 - Need list of recommendations from subcommittee.
 - Fundamental questions need somebody that really knows it.
- Dima – will a township be responsible for inventorying private retention basins? Can the SAW grant be used for work on private property? (i.e., retention basin owned by homeowners association)
 - NPS (319) can do upgrades to retention ponds on private property.
 - SRF cannot fund work on private property; is that true of SAW? (Harry)
 - Attorney general will have to review.

- Definition of what is stormwater management plan/what is definition of stormwater treatment plan?
 - Stormwater management plan – does project plan meet definition of?
 - No, maybe overlap of info
 - Stormwater vs. NPS issue – sort out, put in writing and give to us
 - Gary wondering...is stormwater management plan to be nested?
 - Analogy is closer to project plan than master plan
- What is difference between AM plan and stormwater management plan?
 - Is everyone going to just do minimum requirements and not do rest?
 - Existing conditions for what you have now, what you need for future; both components go hand in hand – Dima.

Application Process

- NPS has been using SRF application without any problems (Harry).
- Gary said previous committee was looking at things that could be streamlined and less costly.

How much should be paid to municipal staff?

- Man hours for developing or gathering data? Yes.
 - City staff? Yes.. in kind service – match vs eligible expense. Yes.
 - Holiday and overtime? Yes – fringe benefits to be included.
 - SRF \$50,000 limit per project. Seems low for this.
 - Depends on community; up to them...
 - Community should demonstrate how they are involved in AM.
 - Gary looking for true commitment.
 - If you fund upfront something community should be doing anyway...risk of abuse to this. How do you check? Force account not eligible in S2.

Federal vs. state requirements

- Do we have a memo for this?
 - Previous committee was looking at things we want to change, but cannot because of federal requirements; Sonya will look.
- Section 5204(3)(a) requirement grant recipient3 years
 - The intent was to have projects come out of grant for NPS, wastewater, and stormwater.
 - Significant progress – project plan?
 - NPS plan, committed to do project.

Recap

- Engineers will gather info on GIS mapping software, hardware, and training.
 - Prepare cost estimates based on population.
- Pete will follow up with John Clark regarding aerial data.
- Harry will form subcommittee and address 3 questions
 1. Definition
 2. What is a stormwater management plan
 3. What will be in the application