

**Stormwater, Asset Management, and Wastewater (SAW)
Workgroup Meeting on April 10, 2013
At DEQ, Constitution Hall, 3rd Floor North
Lillian Hatcher Conference Room, 9 am-12 pm**

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

Not in Attendance: Harry Sheehan, Washtenaw County, Gary Burk, City of Owosso, Jim Sygo, Deputy Director, Phil Argiroff, and Bob Sweet, DEQ

Please note that ALL documents discussed during the meeting are in draft format and will NOT be posted with the meeting minutes as they continue to be edited.

ASSET MANAGEMENT

A. Prior Meeting Follow-up

1. Cost estimates for GIS mapping software/hardware/training
Larry presented draft preliminary recommendations (he, Dima, and Keith had previously discussed) based on population
 - Some communities may not need any, some need upgrades
 - Communities must show justification if exceed dollar limit, case by case determination
 - Conservative numbers
 - Training estimates high due to a lot of out-of-state expenses (i.e., travel)
 - Hardware, inclusive? Pete thinks DEQ costs would be less than estimates.
 - Challenge for community to justify costs if just getting started. Would be getting benefit beyond SAW eligible activities.
 - Licensed software, is there a time period?
 - Every year, cost to renew not included in estimate. Self-regulating issue
 - No fieldwork or data gathering
 - 3-year window for significant progress
 - Licensed software renewals could be match? Only if paid upfront.
 - Liane asked if \$60,000 is the cap for all hardware, software, training for a population up to 5,000? Yes.
 - Guidance could lay out what could be included or so much spent for each item. Cartgraph less expensive than Cityworks
 - Purchase vs. contracting work out
 - These cost recommendations are strictly for purchasing; getting equipment on table, getting started
 - Sharing equipment – how to give community incentives to cost share or share components (i.e., televising)
 - Total limits set at \$50,000, \$75,000, \$100,000, and \$150,000...less than proposed for population groups: 0-5,000, 5,000-20,000, 20,000-50,000, >50,000

- Population breakdown ok..represents amount of infrastructure
 - Evan- need information, how much per structure
 - Keith- goal is to normalize. What is fair to fund? open-ended prospect.
 - If you are approached as consultants, how do you charge for asset management plan?
 - Dima- give them options, GPS components or people in field, which is more expensive. Keith- lot of variables.
 - Larry will send electronic version to DEQ – draft not to be published. It can be used in asset management guidance.
2. Cleaning and televising equipment/training
- Dima's research on cost estimates
 - vactor truck \$450,000; required to clean
 - televising \$150,000
 - camera trailer \$100,000
 - PACP certification \$900 per person
 - Third party (outsourced) \$6 per foot jetting and televising.
 - Equipment – would have for years to come.
 - Larry not sure these should be eligible. Significant amount of money, does it advance community where it wants to be?
 - Assume ineligible for grant...loan?
 - Loan money will come back into SWQIF pot of money.
 - Feasibility choice. Is it a necessity...small portion of what they use for.
 - Incentivizing, partnership..for smaller system.. what population size?
 - Cleaning goes on all time; televising once every 15 or so years..
 - vac truck seems routine maintenance...need Gary's input.
 - Televising is necessary part of asset management.
 - Televising is grant eligible, if cost effective in comparison to third party cost noted above. Ask for justification.
 - Televising for grant and loan. PACP certified.
 - It was decided vactor truck is eligible for SAW loan only.
3. Draft Asset Management Plan Grant Application
- Questions from Asset Management seminars held in March were incorporated in outline that Bob and Charlie provided to group.
 - Basis – asset management workbook for both drinking water and wastewater.
 - 5 core components in asset management plan
 - 1) Asset inventory; 2) Level of service; 3) Critical assets; 4) O&M strategies/revenue structure; and 5) Capital improvement planning
 - For SAW loan must have approved asset management plan and meet same conditions as SAW asset management grant. DEQ review of asset management plan would be the same for SAW loan or grant.
 - Framework for application
 - template or basic look would be?
 - if the community has asset management plan, do not want to pay for what they already have.
 - Charlie group needs to discuss application format, like S2?
 - Reword current document so not in question format. Explain required components and expectations.
 - Is it intent of the SAW program that an asset management plan would be done instead of project plan? Yes.

- To get SAW loan, not SRF. Need additional info on application for SAW loan....
 - pre and post assessment of asset management plan will be good indicator of what has been done.
 - Here is what we are expecting; focus on what is the goal. Communities need to be proactive with their system.
 - Evan- asset management plan execution, are they going to be required to document things for 3 years?
 - Pete- asset management grant will be tied to NPDES programs for majors.
 - Charlie- annual report document required for NPDES.
 - Have pointed out future activities that need to be done.
 - Public meetings, do we want to put anything in application?
 - Bob - would be level of service and rate structure.
 - Application should be straight forward; expectations; list of deliverables; how are you going to get there? (Dima)
 - Check when you close the loan.
 - Common info, appendices, scope of project would address detail.
 - Easy for communities.
 - Language in grant agreement. Simple form with backup.
 - Bob – what next?
 - Pete suggested write up asset management as appendix to base part of SAW application and add what is expected.
 - Collection system requirements need to be flushed out for NPDES permits.
 - Charlie- would we include language that states if NPDES permit holder, do they need to agree to accept?
 - ok for majors
 - minors, this would get them on track when up for renewal.
 - Two voluntary components: the way they commit to implementing this grant and ensuring they will commit.
 - DEQ/RLS staff needs to know the benefits.
 - Road show to take in front of councils.
 - Outline benefits under Part 41
4. Draft SAW Grant Eligibility Guidance.
- Do you see community bonding for match? No. Would we allow? Not eligible.
 - Dima- see big development coming in and want to expand sewer. In legislation, no need required; where do we draw a line?
 - Need some type of guidance.
 - Asset management part of wastewater side, get folks to take care of what they have.
 - Stormwater side, see some room for flexibility. Is what I have adequate?
 - Brand new in? Don't think this was intended for asset management. Needs discussion.
 - Charlie- might consider growth pump station example. No growth. Related to assets already existing? Innovative technology should address existing problem.
 - Keith gave example. Lyons Township with existing problems can be fixed. Lake could be fixed – unsewered lake.
 - How do you define existing problem? document.
 - Talk to local health department – Pete suggested.
 - Is that something you can identify in asset management plan? Yes.
 - Still not eligible SRF, SAW eligible.

- Community needs to do worst problems first. What if the community does not?
- Evan- good asset management plan, let's spend now, can still fix later.
- Do we leave it up to the community? Or review criticality level?
 - Rationale needs to be provided. Let the community manage.
 - As long as they provide justification. We are not funding growth for growth sake.
- Who is eligible to apply – owner or operator?
 - Want more clarification from group.
 - Charlie, sewer authority just runs plant...Is each community in an authority eligible to get grant and loan?
 - Application stands on face value...first come first served.
 - Rate structure would be legal documentation.
 - Grant application has to be municipality.
 - Pete- some will take care of itself; an authority with just a treatment plant doesn't need GPS.
 - Can an airport apply? Grand Rapids airport has existing stormwater problems. Have to be able to bond. MS4 – have stormwater facility; they have other funding sources. Innovative technology is eligible.
- Draft will be cleaned up and sent out to group as point of discussion for next meeting.

STORMWATER SUBCOMMITTEE UPDATE

A. Draft Stormwater Grant Application

- Establish schedules and set deadlines to have final application by August.
- Draft for public comment on web? No.
 - There may be other instances we have not thought about, or interpretation may be unclear; talk with peers and gather input.
 - Role of group is to represent public.
 - Educational sessions on new grants and loans will be planned.
- Chuck Hersey verified that every loan applicant needs stormwater or asset management plan.
- Stormwater is defined very broad (i.e., NPS).
- Application Appendices; one for each of things grant eligible.
- 1st 2 pages common info; scope of work
- Sonya will work with Treasury and AG office to get draft out for next meeting.
- Approved stormwater plan can mean MS4, under CMI or 319, or LAMP/RAP.
- Need other sub-groups working on other parts.
- Target date for draft: end of May? Yes.

B. Questions - Drain Commissions

1. Can drain commissioner apply for an asset management plan/stormwater management grant?
 - Stormwater side – what is stormwater conveyance and what is waters of state.
 - Stormwater does not apply to surface waters.
 - What is in pipe or not.
 - Drain commissions have assets within their systems.
 - Different than stormwater utility.

- Grant – If some of the drain system is deemed one thing and then another, hard to tell.
 - Lot of interest, don't have good inventories.
 - Most county drains are open systems – surface waters of state.
 - Some issues can be dealt with in NPS.
 - Drain commissioners can apply for asset management grant, but not for any of county drains that are surface waters of state.
 - Closed drain can apply.
 - Open drain, generally can apply, but....
 - Need policy? Answer question and put on website just for asset management program,
 - stormwater management plan, drain could be eligible,
 - closed pipe versus open channel,
 - not on topol map, then stormwater.
 - once surface water, always surface water.
 - Pipe is asset, water is not.
 - Evan- What pathologic can we trace back that has best bet for water quality?
 - Can address problem through other aspects of loan, other than asset management.
 - Drain commissions -Pay back loan for storm water utility, need to reassure drain commissioners about financing.
 - Letter of apportionment - Bob uses current for review in SRF.
 - See if other objections of goals regarding drain commission.
2. Are the legal fees and user charge review for a stormwater utility eligible as asset management plan grant activities?
- Yes to develop a stormwater utility, but not to defend it (more than likely be challenged).
 - Would loan pay for legal defense? No.

Note Chuck email bullet 2 – all SAW loans would have to be for projects identified in an asset management plan or an approved stormwater management plan.

Construction Management (CM) – eligible tool for SRF and DWRP

- This group supported not funding CM in future.
- DEQ Executive Office asked if we would bring some of those in support of CM into group: Chuck Hersey, Ron Brenke, and Keith Swaffar
 - Have conversation again so they can make their case before decision is made final.
 - Should the DEQ share summary of the vast majority opinions of whom the decision was based on? Yes.
 - Beyond SAW duties. Will take at least an hour, take too much time away from SAW agenda
 - Can we do by conference call? No, face to face
 - Have meeting on same day as SAW meeting, but separate.
 - May 1st at 1pm.

Michigan House budget decision to not fund debt service on bonds for SAW program

- Budget under negotiation. Disagreement on parties where state is taking direction (using Medicaid as leverage)
- Not a done deal, one step in process.
- We need to proceed as if everything is okay. We need to develop program.

Recap

1. Our office will provide CM summary to workgroup members prior to May 1 meeting
2. Draft guidance for grant will also be provided
3. Bob and Charlie will have something further to share regarding asset management
4. Docs from NPS committee
5. Gary – cleaning and televising
6. Draft application schedule - check with Treasury.
7. Charlie need electronic version of GIS mapping hardware/software/training cost estimate recommendations