

**Stormwater, Asset Management, and Wastewater (SAW)  
Workgroup Meeting on May 22, 2013  
At DEQ, Constitution Hall, 3<sup>rd</sup> Floor North  
Lillian Hatcher Conference Room, 9 am-12 pm**

**Attending:** Harry Sheehan, Washtenaw County  
Nate Zill, Lenawee County  
Larry Fox, C2AE  
Dima El-Gamal, Stantec  
Keith McCormack, HRC  
Gary Burk, City of Owosso  
Jim Hegarty, Prein & Newhof  
OAG: Alan Lambert, Shenique Moss  
DEQ: Liane Shekter Smith, Sonya Butler, Pete Ostlund, Bob Sweet, Charlie Hill (via conference call), Robert Schneider, Kelly Hoffman, Wendy Fitzner, Cheri Meyer, and Carla Winegar

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

**Stormwater Subcommittee Update (Harry)**

The subcommittee has compiled a summary sheet/spreadsheet and appendix for stormwater management planning with assistance from Jaclyn and Charlie.

1. Design grant or pre-design if stormwater or watershed plans already done and project is a piece of, is that grant fundable, if so what category?
  - Pete- sub-basin, BMPs – more project specific, sounds like regular planning.
  - Not sure what is defined yet. Is there a separate category?
    - Point out in scope. See E, page 2 of application.
  - Essentially planning and design grant. Retool existing S2 grant for SAW
    - Depends on deliverable. (In S2, the deliverable is project plan).
      - What do we want applicants to submit? We want something to come out of this.
      - Deliverable is plan within 3 years – end of activity period.
      - Finite amount of money; community would have to choose what they do with it.
      - If grant is for design, why not just say construction.
        - If grant is for planning, then design grant, could be 6 years (3 years per grant).
        - What if out of money, or don't have money?
        - Significant progress concept; this should only be for asset management plan.

**Answer:** 3-year commitment for planning/design grant, with notice to proceed.

2. Design grant, does it have to end in construction? Yes.  
If doing stormwater design grant, would you have to have official planning document?
  - Have to justify project, but does it have to be linked to stormwater management plan?
  - Pete- still have to show water quality issue and how you are addressing it.
  - Can't do projects for growth with SAW funding.

- May have to come up with criteria for application.
  - Show cause, define need, water quality issue (i.e., permit, TMDL, impaired waters, enforcement action).
  - Create examples; what you have to justify.
  - District engineers have to agree, sometimes health department is contacted to verify issue.
  - Identify and evaluate several alternatives – then you would be looking at a plan
  - It was suggested that SRF guidance be added (cost-effective review of alternatives).
- Question is what justification? Need some kind of assurance that design is not going to be shelved.

**Answer:** Need to flush out justification; no project plan is required (unless using SRF/SWQIF to construct project). Should provide examples.

3. Are construction or permit easements grant eligible? Any monetary payment for easement?
- In S2 and SRF, fees associated are eligible, but actual payment for property is not (this is loan eligible).

**Answer:** Work associated with getting the easement is grant eligible.

- Bob Sweet- NPS-CMI covers easements. BMP, put easement over it to maintain – loan concept.
- Purchase only eligible under loan.

## ASSET MANAGEMENT

### Prior Meeting Follow-up

#### Draft SAW Grant Eligibility Guidance (Sonya)

- 3<sup>rd</sup> bullet - Should there be a cap on force account work?
  - Would like to propose limit: limit fringes to 40 percent of salary? Agreed.
  - Is there limit on amount for municipal employees? No.
- 7<sup>th</sup> bullet - SRF eligible planning costs for non-asset management plan project
  - Assume something is coming out of the plan; \*\*Actual construction is required (eliminate **not** required from draft).
- Is developing stormwater utility fundable? Yes, for setting up; no for defending the utility.
- Asset management component of software – community feedback for costs is much higher than what we set as limits. Dima- alerting committee why communities would be requesting higher amounts, with justification.
  - 2<sup>nd</sup> bullet under table of cost limits (justification) should be asterisk
  - Propose to increase limits?
    - Cost of getting GIS software: \$20,000 to initiate, then \$20,000 per year to maintain.
    - Larry would like to see some actual upward costs.
    - Liane- need some balance, long-term commitment.
  - Dima thinks this software is going to start them, but need more flexibility on the cost limits. Have to be able to afford to maintain.
    - Future renewal costs are not eligible. If local match, has to be eligible cost. One-year license, then on own.
  - Push up \$10,000 for now? Yes.

- Larry- is there a reason to limit the amount of sewer televising?
  - Gary, have to show they are doing asset management plan. Have to do condition assessment.
  - Pete- would have asset management requirements built into permit.
  - Recommendations:
    - Larry- use percentage of grant (i.e., 25%) or one-third of your system.
    - Gary- or put some percentage on project?
    - Liane- whole premise is to provide self-sustainability.
    - Charlie- provide further justification. Hard to judge as project manager.
    - Break into first million or second million eligible. Follow up.
    - Charlie- give either percentage of grant or percentage of pipe in the system.
    - Larry doing proposal for next meeting to limit sewer televising.
- Pre-construction baseline – water quality monitoring (last bullet on page 1). This is a planning cost.
- Larry suggested it might be easier to have eligible costs under categories.

### **Innovative Technologies (Charlie – handout)**

- Interpretation: Project costs will be eligible for testing and demonstration.
- Liane- we need to be able to screen whether a project makes sense.
  - 1<sup>st</sup> level of evaluating, assure it has practical need and can be applied to particular situation
  - then look at if plan/pilot testing meets goal. Testing may show technology doesn't work and that is okay.
- Testing ok, but supplying a demonstration from other state, not really innovative.
- Statute is phrased to give to money to municipalities – do not want to provide grant money to entrepreneur; these are grants to communities.
- Do they have to have an issue they are trying to address? Or expand?
  - Could be cheaper, less energy, or green.
  - If project is not allowed, how would we handle?
    - Are universities eligible? Per Section 5301(i), public universities are eligible, private universities are not eligible.
    - Do pilot project... If successful, there is loan money available. If works, then others will take advantage of that technology. No commitment if pilot fails.
    - University - Charlie could curb those by having them demonstrate need - have to show water quality issue. If pilot is successful, then have to implement and construct a project.
- Clarify recipient needs to proceed with implementation? Yes.

### **Draft Asset Management Plan Grant Application (Bob and Charlie)**

- Bob incorporated comments from last meeting, making adjustments. When something is more substantial will bring to group.
- Question: If a grantee does not currently have a WWTP or collection system and needs to build one, can the grantee receive an asset management grant? No.

### **Draft Base SAW Application (Wendy)**

- A.-C. Basic project information streamlined
- D. Disclosure of Conditions Requiring Repayment of Grant
  - What is eligible and what fallback is.

- Gary questioned wording for item 2. Taken verbatim from statute.
- Dima- add stormwater and wastewater to third line of text.
- E. Project Need and Proposed Scope of Work
  - What application will cover and goes into more detail
  - Dima- add stormwater and wastewater to third line of text.
- F. Ownership of System Facilities or Assets
  - Able to establish rate structure.
  - Harry waters of state – would you require resolution? If so, from who?
    - The resolution is who can sign documents, not who owns.
    - Clarify note to say rate structure (last sentence). Dima- add wastewater asset management plan (line 5)
- G. Funding Source for Associated Construction (if applicable)
  - Add likely to second line.
- H. SAW Grant Agreement Period
  - Grant period limited to 3 years, have to proceed with construction.
  - Grant expenses can be retroactive to Jan 3, 2013.
  - End date should fall within 3 years of your grant award.
- I. Associated S2 grants
- J. Is the applicant a municipality in receivership?
  - Added other conditions from statute besides just disadvantaged communities
- K. Project Cost Worksheet
  - Added innovative technology on line 8 and stormwater and asset management plan as separate lines.
  - Do we want to add ineligible? Clarify. No, only eligible costs have in documentation.
  - Estimated costs. Gary- sometimes don't know what vendor. Current wording is too restrictive. Add appropriate documentation...if need more money, submit another grant application.
  - Item 5, reference J, page 3, for disadvantaged community.
    - No match required if applicant checks yes on Section J.
  - Note under No. 1 (Entering Cost Figures) on page 4, they need to track.
  - No. 2 (Supporting Documentation) Use language from SRF.
    - Add bullet for force account
    - Bullet documenting equipment and software.
- L. Covenants and Certifications
  - Made revisions suggested at last meeting.
  - Required Documents
    - Resolution should only be for grant amount. Resolution aimed at getting communities approval to accept grant and pay back in 3 years if grant activities are not performed.
  - Will disadvantaged community ever have to pay back loan? Yes, make sure they know they have to prepare a resolution.

Harry suggested make application fillable PDF form or available as a word document on web.

#### **Next time...**

- Cover stormwater grant – craft something to look at.
- Draft of resolution
- Larry proposal on cleaning of sewers (limit)