

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

Attending: Harry Sheehan, Washtenaw County
Larry Fox, C2AE
Dima El-Gamal, Stantec
Gary Burk, City of Owosso
Karyn Stickel, HRC
Jim Hegarty, Prein & Newhof
OAG: Alan Lambert, Shenique Moss
DEQ: Liane Shekter Smith, Bob Sweet, Charlie Hill (via conference call), Kelly Hoffman, Wendy Fitzner, Cheri Meyer, and Carla Winegar

Not in Attendance: Nate Zill, Lenawee County, Keith McCormack, HRC
DEQ- Jim Sygo, Deputy Director, Phil Argiroff, Sonya Butler, Pete Ostlund, and Robert Schneider

Meeting today chaired by Kelly Hoffman

Grants

- Signage eligible? Permanent educational signage.
 - Harry- include as part of loan? Yes, considered part of construction.
 - Dima- other grants allow it...part of your objective or your role.
 - Design, manufacture, and placement – loan eligible.
 - Limit? 1 or more? Bob explained it is common that they are placed every so often, or so many feet, like for the swales (have done up to 5) – reasonable.
 - Signs are covered by 319 but not CMI.
 - No objections. Eligible as construction in loans, not grant eligible since considered part of construction.
 - Cost? Reasonable. Harry said \$100 to a few thousand depending on in-house design or contracted company.
- Limit on hardware/software is by population. How do we define?
 - Dima had questions from universities.
 - Liane – jurisdiction.
 - Multiple parks under same grant.
 - Population served or population in county? User?
 - University – number of students and employees; will be a big number.
 - Equivalent based on type of facility. Charlie- there are a number of guidelines for that.
 - Use population served by applicant.

Draft SAW Grant Eligibility Guidance

- **Revisions** - Wendy- we rearranged parts; added clarification and stormwater innovation. Karol made a couple of suggestions.
- Harry asked about **fringe cap cost** (3rd bullet). Indirect is 20 percent. Clarify overhead. 40 percent is Water Resources Division. 20 percent is DEQ. Meet or see listing criteria (Bob)

- Harry - somewhere address indirect costs, like an overall one.
- Is user charge development eligible? Stormwater utility cost would be covered under stormwater cost. Would support, but not defend under stormwater asset management plan or stormwater management plan.
- Larry- How big a list? Discussion about condition assessment, inventory, data collection, limit on televising,
- User charge development (4th bullet)
 - Gary needs to be clarified. Or reference user charge development as a bullet.
 - Larry- development of user charge system, can it be a stand alone?
 - Have a user charge bullet under planning. Dima- it is part of your design until you get to your plan.
 - Gary- expand heading to say for non-AMP.
 - Kelly- confusion for DEQ staff. Community - confusing if whether or not it is covered.
 - User charge system development for future SRF loan; back to planning and not have its own bullet. Or say for non-asset management projects.
 - Harry comments user charge paragraph under stormwater and asset management plan lump together and not have it as its own bullet.
 - Get rid of line item in application, as it is rolled up in other costs. Get rid of user charge line and include in other eligible lines.

Grant ineligible – add projects for growth, non-water quality issues.

- Guidance for pre-engineering? We consider pre-engineering as planning.
 - Harry- is it covered under Bullet 2?
 - Want to do detailed analysis, clarify – could say detailed planning prior to design or prior to construction.
 - What would be deliverable? Do not have definition yet. Identify specific project...negotiate grant agreement. Could spell out – how detailed?
- SHPO requirements? Usually federal – check with RD, they do state grants.
- Would need basis of design and environmental information for planning grant.

Harry- grant ineligible – what about loan? The DEQ will have another document for what is loan ineligible.

- Under Stormwater Management Plan, page 2, inconsistent, pipe system. Distinction – 3 read differently...surface water meaning not considered groundwater...need clarification from Pete on what 'only surface water issues are eligible' means.
- Larry – how precise does data need to be for justifying, making your argument. Liane -We would route to WRD (Bob and Pete)...water quality issue...came up with innovative also. No need to be as specific as with SRF. Stormwater management plan is not for assessment – not intent.

Grant Application

- D. Disclosure of Conditions Requiring Repayment of Grant
- Shenique- (1) and (3) are almost the same; the only condition you have to pay money back is (3).
 - Innovative wastewater and stormwater technology write up could go in description above.
 - Actual language under 5204 e 3. Liane asked if Shenique would give suggested language. A. what circumstance B tells you how. Two whys and one how.

- (3) needs to be in entry paragraph. (2) subset of (1). Wendy will reword.
- Charlie- repayment circumstance for innovative technology needs clarification. After testing, if feasible, project may proceed. If not and you don't proceed, should it be included here? Probably; needs to be consistent.
- Should not be italicized because is not exact quote.

K. Project Cost Worksheet

- Eliminate Line 3 (user charge), per previous discussion of the grant eligibility guidance.
- No overall contingency amount – Gary suggested adding. Kelly stated they are already included in other line items. Applicant can go back and ask for more, as costs are estimated.

D and E changed some to add stormwater reference.

E. Project Need and Proposed Scope of Work

- Harry- in the last bit, opportunity for those applying for design grant can justify. Is that disjointed? Paragraph 2 should follow; like a by-the-way.

F. Ownership of System Facilities or Assets

- Problem for nonpoint source (NPS) projects – 2nd paragraph, but not legal relationship. How about authorized relationship? Bob says that would work. NPS accepts letter giving applicant permission.

If you get planning/design grant and what if something happens out of your control? Do you have to pay back the grant? What is fatal flaw, can it be amended?

- Could it be handled in planning section? Doesn't affect application. Gary- seems like design.
- Maybe we do need legal document, not just letter. Clarify subset.
- If we say we have to have legal authority, are we paying? Yes, if we are requiring.
- Leave adequate documentation in.
 - Is letter legal? Depends on language.
 - Form, template? Shenique, ok.

Gary- easier for township to apply separately. May need cautionary advice.

Appendix F – Disadvantaged Community Status Determination Worksheet

- Larry- what if the community doesn't know asset management plan; wouldn't ask that question.
- REUs would include industrial – need average resident user. Defer to Bob; he is trying to figure out how to determine for stormwater.

Appendix B – Establishing Project Need for the Abatement of Nonpoint Sources of Water Pollution

- NPS, SAW stormwater management plan (SWMP) isn't one of check boxes. We need to add an item d.
- Change title to “establishing project need for planning and design grant”
- Would you need SWMP for that? Design grant, pre-design grant.
- If you want to make it for entire thing, then add asset management plan.
 - Under Required Documents (4), on page 7, state if stormwater do this, if wastewater, do this.
 - Dima - Subcategory for stormwater, wastewater, NPS. What do we say if non-SRF? Need basis of design, justification, is project included in master plan, current capital improvements plan – justify project need.

Change Appendix C to B

Liane- Plan is to take comments from discussions, update documents and broadly make available. By the end of June, have this on the street (20th). Can get comments by the next meeting, July 10. With or without appendices. Draft. Do review/comments by email.

In-kind Match

Applicants don't have to choose, we pay 90 percent. Dima- part of each invoice? They have to show when they get it; it is their internal accounting.

Appendix C – Stormwater Management Planning and Design Grants (Harry)

- Change to planning grant on title
- Identify those that apply...if you check last one, SAW SWMP, just do requirements, which are in the guidance.
- Guidance provided for all three options
- MS4 permittee required to do SWMP, above and beyond current permit
- Gary- How much justification do I have to show? The bar is low – water quality, not water quantity. WRD will evaluate if project need is acceptable.
 - If MS4, involves more. Pro-active, not reactive.
 - Harry- you can essentially do requirements for permittee without having to get a permit.

SAW SWMP Guidance

- Change on front 319 to say nonpoint source.

Municipality Definition 53 – asking legal advice (Shenique)

- Who is a municipality/applicant?
- Some drain commissioners can establish district under state law. Bob will work on.
 - Part of concern, drain commissioner given under S2, so they are considered municipality. Established under drain code.
 - Concern: if it is appropriate for them to all come in, they will use all the money. They would all be eligible for \$2M.
 - They have no revenue stream unless they bill someone.
 - At large district is like Chapter 20, not directly assessing property owners, they *do* municipalities. If not at-large, have to have petition to charge residents.
 - Contact Jerry Fulcher - WRD
- Need clarity – questions and answer flow chart to determine eligibility. If you do these things, you qualify. – Cheri putting together
- Watershed alliances, universities, road commission, parks, authorities.

Innovative Technology Documents (Charlie)

Innovative Technology Grant Application

- Will assume position in base application as Appendix D or E

Loans

Draft documents (five) were distributed to group to be read through and comment on by email, to be discussed at next meeting.

Summary and Questions to Dwell on

- Read through drafts and comment this week. Public comments back for our next meeting.
- Proposal to limit cleaning & televising not written yet. Larry will share info by email.
- Eligibility guidance within application or separate, companion document? Will be separate.
- What type of planning documents do we need? Email to group. Larry suggested completed SRF plan acceptable, Rural Development plan acceptable. Background info needed.
- Design - come up with some minimums.
- SEMCOG training in mid-September, so we need to be done by end of August. Money available October 1.
- Not ready for applications October 1. We won't accept applications prior to December 2 (as December 1 is a Sunday), giving us enough time to train and get documents out and give applicants time to put together a quality application. Disbursements pushed to April? Yes.
- What does submitting application on December 2 look like? First come, first served by date.
 - We suggest this is our date; anything that comes is stamped that date. Will not time stamp.
 - If not enough money for all applications received, we will do a lottery based on the day the application is approvable. Will go until we run out of money.
 - Requires application be complete; date would start over when complete. Dima- need to define what is complete - has to be approvable.
- Has legislature actually approved funding? \$97M for SAW \$3 for wetlands.
- No electronic submissions. Do not provide comments until all reviewed to be fair. RLS will not review drafts.
- August 15th – last SAW meeting scheduled.
 - Need more meetings? Next meeting (July 10) all day.
- Interest rate set - state prevailing wage. State agencies, schools, universities. Need legal interpretation. Shenique will research who state prevailing wage applies to.
- Liane- state programs not as many complications as federal. Workgroup to look at SRF and DWRF programs to streamline. As part of this effort, we are trying to come up with the best and easiest way and to pass the audit. Will be a need for us to have a workgroup that looks at SRF in general. We will have to talk about.